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Asians Suspected of Using Nation To Emigrate

AU1206184893 Tirana Radio Tirana Network in Albanian 1330 GMT 12 Jun 93

[Text] Since the beginning of this year, many nationals from Sri Lanka, the Philippines, Thailand, and China have visited our country. Such a fact has aroused suspicions that these people are using Albania as a transit point to emigrate to the West.

Recently, small groups of people with south-Asian features have been seen in Tirana. They have been accommodated [sistemuar] according to the rules of the Arberia Hotel, located in the capital. One of the cashiers of this hotel told the BBC that a group made up of 50 nationals from Sri Lanka left several days ago after a one-week stay in the hotel.

Since December, several hundred people, not only from Sri Lanka but also from the Philippines, Thailand, etc. have stayed in the Arberia Hotel. They come to Albania as tourists owing to an agreement between tourist agencies and a private agency centered in Moscow. The Asian tourists are considered as emigrants that can exploit Albania as a means to go West. The number of Chinese people who come to Albania through private tourist agencies and then attempt to travel to Italy is increasing more and more.

Better Wheat Harvest Expected Than 1992

AU1506105693 Tirana ATA in English 1013 GMT 15 Jun 93

[ATA report: "Wheat Harvesting Begins in Albania—125,000 Tons Wheat Production More Than Last year Is Expected"]

[Text] Tirana, June 15 (ATA)—Recently wheat harvesting started in the lowland area of Albania. 35 thousand hectares more than a year ago was harvested in the hilly mountainous area.

This year production is expected to be greater than last year, the specialists of the Ministry of Agriculture and Food say. This was attained due to the work of the Albanian farmers who overcame hardships particularly regarding the materal base.

The specialists of this ministry think that the areas sown to wheat should increase next autumn. The action taken by the government to increase the price of wheat is stimulating. It also interests the farmers to increase the area planted to this crop. They plan to increase by 30 - 40 per cent the area sown to this crop.

Cabinet Ratifies Agreements, Approves Bills

AU1606045193 Tirana ATA in English 0812 GMT 15 Jun 93

[Text] Tirana, June 15 (ATA)—The Council of Ministers convened on June 15 to examine some important draft laws and draft projects.

At the beginning, it examined the draft law on the ratification of the convention between Albania and Greece for the mutual execution of judicial decisions for penal cases. Further on it examined the draft law on the ratification of the treaty of friendship and cooperation between Albania and Croatia and the decision which adopts the agreement for the instigation and protection of mutual investments and the economic cooperation between Albania and Croatia. Another decision of this nature was that for the approval in principle of a trade agreement of Albania with Egypt.

Through a decision of the government, all institutions of children, creches, kindergartens will be administered by the local government. Another decision taken at the proposal of the Ministry of Health and Environmental Protection was that which defines the export-import regime and the production of drugs in the Republic of Albania. These drugs are for human usage because the medical preparations for veterinary usage are defined in the articles of the Law on the Veterinary Service and Inspectorate.

In its meeting the Albanian Government adopted the program of the fifth cycle of UNDP [United Nations Development Program] for 1993-1996, which defines the most efficient way for the use of financial sources of this organization in support of the economic reform in Albania. The Committee of Science and Technology is charged to execute this decision. At the proposal of the Ministry of Industry, Mining, and Energy Resources and the Ministry of Finances and Economy, the copper corporation is provided with 75 million leks for the second half of this year in order to face with the low prices of copper. At the end of the meeting, the government adopted the state subvention of 400 million leks on irrigation on national scale. The decision has also the differentiated price for the irrigation in fields and in hills.

Deputy Prime Minister Neev Visits Ankara

AU1606093193 Sofia BTA in English 2013 GMT 15 Jun 93

[Text] Ankara, June 15 (BTA)—Bulgarian Deputy Prime Minister Neycho Neev, who heads the Bulgarian delegation to the 12th session of the Bulgarian-Turkish Committee for Economic and Technological Cooperation in Ankara, was received today by Professor Inonu, deputy prime minister and minister of state of Turkey, the Press Office of the Council of Ministers reported. The talks stressed the considerable progress in bilateral relations. Prof. Inonu showed interest in a number of problems such as the avoiding of double taxation and the social welfare of old-age pensioners who have come to Turkey from Bulgaria. In response to a question by Prof. Inonu on Black Sea economic cooperation, it was pointed out that Bulgaria, who will chair it till the end of this year, will work actively in this respect. The two sides also discussed issues related to the export of animals and animal products and combating the spread of the foot-and-mouth disease.

Mr. Neycho Neev also spoke of aspects of the work of the session and expressed the hope that the protocol will be ready tomorrow and will be signed and that the agreement on economic, scientific and technological cooperation will be prepared and signed soon.

At their first working meeting this morning Mr. Neycho Neev and Mr. Yalim Eres, chairman of the Union of Chambers of Commerce, Maritime Commerce and Commodity Exchanges of Turkey (UCCET), discussed possibilities for continuing the contacts between the Chambers of Industry and Commerce of the two countries and for broadening trade and economic contacts between Bulgaria and Turkey. Mr. Neev pointed out that the Turkish Chamber of Industry and Commerce has already set up several branches in Bulgaria which are working actively but there are also a number of problems related to payments between companies.

Mr. Yalim Eres stressed that the good relations between the UCCET and the Bulgarian Chamber of Industry and Commerce will be at the root of good commercial relations between the two countries which would undoubtedly reflect on Balkan trade as a whole and on contacts with Southwest Asia. The two chambers will determine the relations between the businessmen of the two countries and will contribute to the spreading of trade and economic information.

Bulgaria and Turkey are connected in one computer system for distributing trade information which facilitates access to data from the countries of Western Europe.

More than 700,000 Turkish companies are members of the UCCET which makes it possible for Bulgarian businessmen to establish broad contacts.

Minister Tanev Leaves for PHARE Session

AU1506174893 Sofia BTA in English 1537 GMT 15 Jun 93

[Text] Sofia, June 15 (BTA)—A Bulgarian delegation led by Agriculture Minister Georgi Tanev today left for Brussels to attend a special meeting of the European Community, which will discuss the PHARE [Economic Reconstruction Aid for Poland and Hungary] Programme for 1993-94, Agriculture Ministry spokesman Ivan Stanev told a briefing today.

The ministry has applied for about ECU [European Currency Unit] 17.5 million in aid. Confirmation has been received that the EC has approved an amount of ECU 15 million, according to Mr. Stanev. Minister Tanev will insist that the money be allocated to investment and a guarantee fund, not technical assistance. ECU 10 million will be used to guarantee loans to farmers, who now raise mortgages on houses or future crops. Some ECU 2 million will be used to buy computer equipment for agricultural extension services.

The Bulgarian officials will confer with EC Commission President Jacques Delors on 16 million dollars in aid to buy tool-making licenses from France.

Protest Against Delaying Agreement With EC

AU1506175493 Sofia BTA in English 1609 GMT 15 Jun 93

[Text] Sofia, June 15 (BTA)—In his capacity as acting foreign minister, Prime Minister Lyuben Berov last night met the ambassadors to Sofia of the ten European Community member countries and the head of the EC delegation, it was said at a briefing at the Foreign Ministry today. Prof. Berov delivered a note to the ambassadors expressing serious concern over the delayed coming into effect of the interim trade agreement between Bulgaria and the EC as well as other related questions of Bulgaria-EC relations.

The Bulgarian Government finds it completely unwarranted to link the agreement's approval by the EC bodies to a question which has nothing to do with Bulgaria, the note says. A delay in the agreement's coming into effect will inflict considerable losses to Bulgarian producers and exporters. At a time when this country is suffering ever increasing economic losses due to its strict enforcement of sanctions against Serbia and Montenegro, such a delay is a cause of deep disappointment, the document says. The Bulgarian Government calls on the governments of the EC member countries to take urgent measures to consider the approval of the agreement separately from any other question and to take a decision the soonest possible.

Speaking on behalf of the ambassadors, Mr. Klaus Otto Kappel, ambassador of Denmark, the country which is holding the rotating chairmanship of the EC, said the causes for the delay have nothing to do with the EC

attitude to Bulgaria, it was said at the briefing. Ambassador Kappel pledged to inform the governments of the EC member countries of the step taken by the Bulgarian Government.

Prime Minister Berov will send an identical letter to his counterparts of the EC countries tomorrow, the press also learned.

Detailed information was given on the meeting of foreign ministers of the members of the North Atlantic Cooperation Council held in Athens and on the views on the crisis in the former Yugoslavia expressed there. Georgi Dimitrov, an expert with the Foreign Ministry's International Organizations Department, said no pressure had been exerted on Bulgaria to take part in possible military operations in the former Yugoslavia. Bulgaria confirmed its principled position in favour of nonintervention in such actions, Mr. Dimitrov said.

Government Restricts Demonstration Rights

AU1506175393 Sofia BTA in English 1657 GMT 15 Jun 93

[Text] Sofia, June 15 (BTA)—The Council of Ministers approved an amendment to the Assemblies, Rallies and Demonstrations Act at an extraordinary meeting today, the government spokesman Raycho Raykov said. According to the amendment, the minister of the interior will determine the perimeter of guarded areas around the buildings of the Presidency, parliament and the Council of Ministers. These areas will be closed for rallies and demonstrations. The defense minister will determine the guarded areas around military sites. The amendment bill will be introduced into parliament. Mr. Raykov said an area of at least 500 metres around guarded buildings of state institutions is placed off limits to demonstrators in "normal countries."

The cabinet will submit to parliament an amendment to the Local Self-Government and Local Administration Act which proposes that a Sofia governor be appointed. Now Sofia's mayor is also local governor. Mr. Raykov said it was a paradox for one person to hold the elective office of mayor and the appointive office of local governor.

Miners' labour problems were also discussed today. The Council of Ministers should commit itself to meet the miners' demands, the government spokesman said. The discussion focused on whether these demands might influence or change the macroeconomic framework and the National Budget Act.

Deputy Prime Minister Evgeni Matinchev and Finance Minister Stoyan Aleksandrov will meet representatives of the Podkrepa Miners' Federation to discuss a draft framework agreement which is expected to be signed today after several moot points are cleared up, said Mr. Raykov said. Miners insist on wage rises and job protection as the government is closing down unprofitable pits. As a result the majority of miners in Southern Bulgaria will be made redundant.

SDS Decides Not To Walk Out of Parliament

AU1506210093 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 15 Jun 93

[Text] At its regular meeting today, the National Coordinating Council of the Union of Democratic Forces [SDS] decided that the representatives of the coalition in the National Assembly should continue with their work. Walking out of parliament at an inappropriate time would deprive the SDS of an important means of influencing political events, the explanation of the decision reads.

The decision also applies to the Liberal Congress Party and the New Social Democratic Party, which had some objections to the decision.

The meeting also discussed the situation following President Zhelev's statements. The future activities of the coalition were mapped out.

At a news briefing, which was held at SDS Headquarters at 134 Rakovski Street this afternoon, it was announced that the City Municipal Council, on the basis of Article 21, Item 13, and Article 22, Items one and two, decided to halt traffic at Lege Street in the section from Suborna Street to Aleksandur Battenberg Square.

The traffic from Tsar Osvoboditel Avenue to Rakovski Street will also be halted for an indefinite period between 1800 local time [1500 GMT] and 2200 local time [1900 GMT].

According to information from SDS Headquarters, protest meetings are expected to be held over the next few days at 1400 local time [1100 GMT] and at 1800 local time [1500 GMT].

Several mayors from all over the country are expected to hand in letters of protest to the Council of Ministers.

Commentary on SDS Attempt To Overthrow Zhelev

AU1506171893 Sofia KONTINENT in Bulgarian 10 Jun 93 p 6

[Sofiya Tomova commentary: "Last Act of the 'Disruption' Plan"]

[Text] You can choose for yourselves who is going on a hunger strike for what—this is the new political watchword. You can solve a rich assortment of your own problems by going on a hunger strike against the president. If you are a supporter of the monarchy, you can even bring Simeon back.

Despite the label of morality that Sugarev has attached to his own hunger strike, it is well on the way finally to

ruining the shattered authority of the SDS [Union of Democratic Forces]. Following a series of scandals within the SDS parties and the coalition as a whole, following the defections and the duels to which SDS deputies have been challenging one another, the knights of the blue [SDS] idea have even resorted to blackmail. To lead a party, manage a newspaper, and be a member of parliament, and yet to choose the tricks used by a spoiled young lady, is something hard to understand even in our geographical latitude. The hearts of the old maids have become hardened under the conditions of democracy. In parliament, only about five old women defended Sugarev's right to try to overthrow the country's president.

Psychologists claim that Sugarev himself is disillusioned with his friends, and some time ago even considered suicide. Perhaps his hunger strike will prove to be the most successful part of the "disruption" plan on which the SDS has been engaged until now, in the words of Georgi Markov. The next stage may last a little longer.

Civic Alliance Leader Tomov Interviewed

AU1406150893 Sofia 24 CHASA in Bulgarian 1 Jun 93 p 9

[Interview with Aleksandur Tomov, leader of newly founded Civic Alliance for the Republic, by Iva Petroni; place and date not given: "I Shall Not Form a Coalition, and This is Where I Differ From Others"]

[Text] [Petroni] Why did you establish the Civic Alliance for the Republic in secret?

[Tomov] I think that this is not exactly correct. Everyone cannot be informed about everything at the same time. There are two methods of briefing the public on such events. One method is that the people who are about to establish a political formation should announce it. The other method is to publicize it through the mass media. This is how we can find out, whether a formation is likely to be influenial, whether it has any support or not. Hence, there is no secret involved whatsoever. Whoever has asked me what I am doing, has understood. Naturally, it is up to the political forces to choose the moment of announcing their intentions.

[Petroni] Why did you call your formation Alliance for the Republic? Is the Republic supposed to be threatened?

[Tomov] I would like to stress that we mean our own country, rather than the republican system as such.

[Petroni] You mean Bulgaria?

[Tomov] Yes, this is one thing. The use of the word republic is intentional, nevertheless. We are simply convinced that the majority of Bulgarians are united by the concept of the parliamentary system, of the parliamentary republic.

In the second place, there are two ways of overcoming the current situation in the country, namely either to introduce drastic law and order measures and forcibly establish a civic society with dictatorial methods, or to introduce civic society through democratic principles on the basis of consensus.

[Petroni] Do you assume the responsibility of recommending this method?

[Tomov] The last thing we intend to do is to recommend methods and systems. There are several ways of doing things and no one should claim a monopoly.

Our basic motivation in forming our alliance was the concern about the country. We no longer wish to get involved in petty disputes. We shall only speak for the country and about the major domestic and foreign policy problems involved. We should understand that our nation is currently living through a fateful period. It is either advancing toward integration with Europe in a definitely honorable and profitable way, by benefiting highly from foreign investments, or it will become a country on the periphery of Europe, a country which is not likely to obtain any benefits, a country which cannot hope for subsidies and for preferential treatment.

[Petroni] The DPS and the New Democracy Alliance have already mentioned the necessity of overcoming confrontation. What are your mutual feelings likely to be?

[Tomov] There is no doubt that points of contact shall exist among all formations that are trying to alleviate confrontation and to seek for genuine consensus, not only on paper. I am convinced that the confrontation of the two major forces, of the basic formations dating back to the 30's and 40's has been artificially transferred to present-day Bulgaria. There is no reason whatsoever to pursue the disputes on the subject of the past. An end should be put to this problem once and for all.

[Petroni] Should this mean that you intend to form a political center, which is so much talked about?

[Tomov] I think that we should proceed toward it with coordinated actions—through negotiations and common efforts in search for new paths. For the time being, however, there are no talks whatsoever on creating common values. We are still at the initial stage, it is too early to discuss such things. Nevertheless, I appreciate the fact that the idea of a political center is supported by numerous parties.

[Petroni] The New Alliance for Democracy has established a broad social formation with similar goals. Are you not likely to collide?

[Tomov] There are considerable differences, along with the similarities. One difference is that the members of the New Alliance for Democracy have already declared themselves as a party, while we are talking about a movement, namely a civic movement. The Civic Alliance for the Republic will not be a coalition.

In the second place, I must point out that we are an open movement and we do not claim to implement somebody's party program. We shall simply act as a movement which confronts the public with various questions and is trying to solve current problems. We intend to cooperate in working for specific issues on the basis of our discontent with the way things are developing. I am concerned about the economy, for example, and about numerous other issues. The questions we are discussing will be announced to the public. This is what we intend to do and this is the path we are planning to proceed along. The public will judge our actions and decide to what extent we have solved the problems.

[Petroni] Your programmatic document mentions the majority system. Are you ready to support the idea about elections based on this system?

[Tomov] I think that we have expressed our formula with sufficient clarity. We are ready to support a system under which the people are likely to exert greater control over their elected representatives.

So far, the deputies are solely responsible to their parties. This is a distortion of political life in the country. It makes democracy unrealistic. If people are directly involved in political life they can dismiss their deputies and exert control over them.

Another question emerges. It is also a question of personal performance. Parliament today is working with only one fourth of its members. The rest are not active because part of them are not prepared for their parliamentary tasks, and because some of them are not involved in the work. We have excellent deputies whom no one pays attention to and this applies to all parliamentary groups.

[Petroni] Do you intend to establish local structures throughout the country?

[Tomov] As far as I understand, they are already in the process of being established. People from various towns have called us to tell that they have formed civic associations within a few days. Presumably we shall hold a national forum, but we have not decided whether to hold it in June or September 1993.

[Petroni] Your programmatic document mentions that the alliance is not conceived as a future Fatherland Front. However, you are likely to be accused of such intentions precisely. What would you answer?

[Tomov] The comparison with the Fatherland Front, which was an alliance of political parties, is preposterous. In our case we are talking about a definite structure, which is likely to be monolithic and united. This appears from our statute and documents which are expected to be published within a few days.

Parties Comment on Anti-Zhelev Hunger Strike

AU1606092593 Sofia BTA in English 1945 GMT 15 Jun 93

[Text] Sofia, June 15 (BTA)—Edvin Sugarev MP of the Union of Democratic Forces (SDS) has been fasting for eight days. Mr. Sugarev demands the president's resignation, charging him with betrayal of the ideas of the coalition, whose co-founder and first leader Dr. Zhelev was.

At a regular party press conference today, the leader of the Bulgarian Socialist Party (BSP) Zhan Videnov said Mr. Sugarev's demands were "absurd, and the blue (SDS) leaders are misusing them unscrupulously and cynically." According to him, the SDS now presents a serious threat to society. Mr. Videnov described the SDS protests as attempts at destabilization.

According to the National Coordination Council (the SDS central decisionmaking body), the course to early elections taken by the coalition can be successful. A council decision adopted today says this can happen, "if, at this stage, the struggle is carried out by all legal means, in and outside parliament." According to the SDS, "leaving parliament is a possible and admissible alternative, but, done at the wrong time, it would deprive the union from an important mechanism of influencing political developments."

The National Coordinating Council called on SDS MP's to preserve the unity and not yield to emotions. The SDS press conference today made it clear there are affiliated parties which insist that SDS MP's boycott parliament's legislative activity. "We shall obey the Coordinating Council's decision but still continue to defend our proposal to boycott plenary sittings," the leader of the New Social Democratic Party Vasil Mikhaylov told the press. According to the leader of the Liberal Congress Party Yanko Yankov, Vice President Blaga Dimitrova should tender her resignation. SDS leader Filip Dimitrov today told reporters the SDS would not ask Mrs. Dimitrova to step down. At its meeting today, the Coordinating Council expressed support for Mrs. Dimitrova's statement last night, where she supported Mr. Sugarev's strike and called for parliamentary elections.

At a regular SDS press conference today, the SDS leaders said they were pleased with the mass rallies in Sofia and across the country in support of Edvin Sugarev. According to the SDS, the rallies drew some 1,200,000 people (according to the census last December, Bulgarians number 8.5 million).

Answering a reporter, SDS leader Filip Dimitrov today said the SDS saw no reason why the citizens' peaceful protests should provide a pretext to declare a state of emergency. He also said in any normal state a statement, such as was made by President Zhelev, would be seen as an application to use such means. "We cannot ignore the need to be especially watchful in this respect," he said. According to him, the president should take back his

words charging the SDS with an attempt to set up a dictatorship, or if he has evidence, should present it to the competent authorities.

The ethnic Turks' Movement for Rights and Freedoms (DPS) will take no formal stance on Mr. Sugarev's hunger strike, said DPS spokesman Yunal Lyutfi. He said every person can protest against anything he dislikes. Mr. Lyutfi also said the president's official address two days ago answered Mr. Sugarev's charges against him and other leaders. According to him, SDS protest actions may cause acute social tensions which does not mean that the coalition leaders will attain their goals. "The nationwide confrontation they want to cause will hardly have any dramatic consequences," Yunal Lyutfi said.

BSP leader Zhan Videnov urged for unity of action against anarchy at the news conference today. "The BSP is the leading political force, it has made serious commitments to the country's government and will help the Lyuben Berov cabinet cope with anarchy by all parliamentary means," Mr. Videnov said. According to him, the office of the president has come in for strong pressure but he does not expect a crisis in it. Parliament is stable but the Council of Ministers is the weakest link, according to Mr. Videnov. A major crisis could be expected in the latter because the administration appointed by the previous cabinet is sabotaging measures taken by the present one. This stand was confirmed in a declaration by the BSP parliamentary group read on national television tonight.

Three-day demonstrations organized by the SDS started this afternoon. Representatives of the municipalities of Varna, Montana and Khaskovo, joined by MP's of the SDS, held a demonstration and presented petitions to the president and the Council of Ministers protesting against cuts in local government budgets, violations of the municipalities' autonomy and the amendments to the Land Act. The protesters express support for Edvin Sugarev and call on the president to resign in the petitions. Participants in the demonstration tore and threw away Dr. Zhelev's *Fascism*, a book suppressed by Todor Zhivkov's regime.

A declaration of the Social Democracy Alliance, a radical wing of the BSP, says "the SDS top leadership is playing a dangerous game by irresponsibly provoking society and trying to establish blackmail as a norm of political conduct." Elena Poptodorova MP of the BSP told BTA that the current social conflict is not a conflict between the president and the SDS Coordinating Council but between democrats and nondemocrats.

The extraparliamentary Bulgarian Agrarian Party (BZNS) today expressed its support for Edvin Sugarev. "BZNS is adamant that parliament dissolve the soonest possible and the cabinet headed by Prof. Berov fall from power. New parliamentary elections are the only means to put an end to the economic and moral crisis," BZNS leader Anastasiya Mozer said.

Aleksandur Karakachanov, leader of the extraparliamentary Green Party, today said the Greens would organize rallies, demonstrations and sign-in campaigns in support of the centrist idea because political unrest should subside.

The National Political Council of the Bulgarian Democratic Centre said in a declaration today SDS actions are "a cheap scenario for destabilization and deplorable attempts to fan political passions."

The Women's Democratic Union issued a declaration today saying it backed the lawfully elected parliament, president and government and favoured a speedy settlement of the pressing social and economic issues.

The Union of War Veterans and other organizations sent declarations to BTA from across the country to express their support for President Zhelev.

The Executive Committee of the Confederation of Independent Trade Unions (KNSB) today said the social and economic situation in this country does not call for an escalation of labour conflicts and massive strike action. Solutions to political conflicts in the democratic societies, which are inevitable in this stage of development, should be sought within the framework of the constitution and the laws, says a declaration by the trade union. Mindful of the risk engendered by provocative actions against the lawfully elected state institutions, KNSB calls on its members and sympathizers to refrain from "provocative, unlawful and nondemocratic actions."

Data Provided on Land Reform Progress

AU1506175593 Sofia BTA in English 1604 GMT 15 Jun 93

[Text] Sofia, June 15 (BTA)—At a briefing at the Ministry of Agriculture today, Dimitur Dinkov, senior official at the ministry, presented data on the progress of the land reform. According to Ministry sources, the delay in the land ownership restitution is due to the intensive work in the fields. They expect the process to speed up. Agriculture Minister Georgi Tanev today said he was displeased with the progress of the land reform, according to Agriculture Ministry spokesman Ivan Stanev. Upon taking office six months ago, Mr. Tanev Expected the land to be returned in a couple of months. Three months later he was more cautious, saying between 60 and 70 per cent of the land could be returned by the year's end.

By June 15 the authorities had issued 1,708,981 decisions recognizing titles to land, i.e. they honoured all applications. Titles have been restored to 744,007.8 ha, or 15.65 percent of the land subject to restitution.

Private farmers are managing 1,547,852.1 ha, according to the Agriculture Ministry. 195,817 Farmers have set up 1,000 cooperatives, holding 638,097.1 ha, or 41.2 per cent of all land in private hands.

Klaus Views Upcoming Copenhagen Summit

LD1506193293 Prague Radiozurnal Radio Network in Czech 1630 GMT 15 Jun

[Regular interview with Prime Minister Vaclav Klaus by Katerina Kasparova and Vaclav Musilek, place and date not given—recorded]

[Excerpts] [Kasparova] Mr. Prime Minister, at the coming summit in Copenhagen the countries of the European Community want to clarify their relationship toward Central and Eastern Europe. It is expected that a document on cooperation will be approved that, according to President of the European Parliament Egon Klepsch, should univocally define the common future. You discussed these relations together. Do you think that the Copenhagen document will be anything more than a mere proclamation?

[Klaus] First, I cannot know exactly what the Copenhagen document will be like, although I have some idea about the preliminary materials that are being submitted there, and I talked about it with numerous European politicians who will vote there and have discussions there. [passage omitted] At first it appeared that Western Europe simply was not prepared for November 1989. Western Europe was prepared for perestroyka of the Gorbachev type; it wanted to build European houses—or whatever the name was supposed to be—but it did not expect that the east would decide to get rid of communism absolutely. The first steps of Western Europe, when November 1989 started, continued reflecting the old vision of the world. The whole Maastricht thing was the continuation of the internal deepening of European communities in the narrowly defined group of the countries of Western Europe, and they somewhat forgot that, in the meantime, one era of the history of Europe ended. It is clear that the debates around Maastricht did not consider this.

Now a certain kind of process is under way. The countries of Central and Eastern Europe, first gingerly, then more and more boldly, started to express their views, and I think that now we are in the next phase. Western Europe will definitely have to make some kind of a step.

[Kasparova] If we have a look at it somewhat more specifically, what will it mean to us, to our republic, and, in particular, in connection with the coming signing of the association agreement of the Czech Republic with the European Communities?

[Klaus] We understand the association agreement as a minimal step, as something that would have long been in existence if Czechoslovakia had not come apart. So the association agreement is not something that we should stress or celebrate in some specific way. I consider it a matter of course. If we are talking about something in connection with Copenhagen, we are talking about what to do next, what will be after this association agreement, for it is truly the minimal threshold that might be involved.

And now we shall stop at the proclamations. I think that the Copenhagen meeting will do two things. First, it will admit the possible entry of the countries that have progressed the furthest distance earlier than in the first decade of the next century or millenium. I think that the Copenhagen meeting can suggest variants such as the end of this decade. That is one thing. And it will be proclamative. It cannot be a promise; it cannot be the signing of some agreement; it will simply be a signal, an announcement.

Secondly, I think that there will be a number of palpable suggestions on the political level, on the one hand, as well as on the economic level on the other, which more or less could be agreed upon in Copenhagen. They do not go endlessly far, but they no doubt mean a shift in comparison with the situation today.

[Musilek] Apart from admission to the European Community, one of the long-term goals of our policy is to join the North Atlantic alliance. However, NATO is at the moment also searching for its new role in view of the break-up of the Soviet empire and the fact that its main function, which was to be a defense alliance against the Soviet Union, no longer exists. This has shown itself, for example, in the alliance's inability to react to the crisis in Bosnia. A question arises here, Mr. Prime Minister, as to what kind of NATO do we wish to join.

[Klaus] I do not think that the Czech Republic is in a position to dictate anything in this respect. However, it is clear, as in the case of the European Community, that not only Western Europe but also Eastern Europe is undergoing internal changes. The EC as well as NATO are undergoing internal changes.

The only important thing here, in terms of procedure and not of content, is that the Czech Republic is an active participant in these changes and movements and transformations of these institutions; that it does not only passively watch when agreements are being concluded there and then just approve them or not. What we really want is to be an active participant in the European events, both in the political and economic sphere, which is the European Community, and in the security and defense sphere, which is NATO.

[Kasparova] O.K., but do we have any idea of what this NATO should be like? Since at the present time it seems to be rather an expensive fiction, as THE NEW YORK TIMES wrote yesterday.

[Klaus] I do not know what the NEW YORK TIMES wrote. But since you have opened the question of costs, it is only natural that everything costs something. Those who think that some things do not cost anything are greatly mistaken. Undoubtedly, to join NATO costs something. At the moment we cannot allow the argument for joining NATO to become an argument for some marked increase in our defense spending. This simply must not happen and cannot happen. This is simply out of the question. (?And it is necessary to see all these matters from this point of view and give them a very careful consideration). [passage omitted]

Havel Denies Threatening Parliament

AU1506122893 Prague CTK in English 1609 GMT 13 Jun 93

[Text] Prague, June 13 (CTK)—Czech President Vaclav Havel today dismissed rumours that he was threatening the parliament not to sign a law.

I am not in the habit of threatening anybody, Havel said in a regular radio interview in reply to a question concerning his reservations about the bill on the constitutional court of the Czech Republic.

The bill is to be discussed by the Chamber of Deputies of the Czech Parliament at its 10th session which starts on Tuesday, June 15.

Havel sent a letter to the Chamber Chairman Milan Uhde this week, informing him of his reservations about the bill. On Thursday, he said one of the reservations was rather serious and made him to ponder on whether he should return it to the parliament for reconsideration.

The reservation concerns the appointment of judges of the Constitutional Court by the head of state and the following approval by the Senate. Havel objects to the provision saying that if the Senate does not make any decision within 60 days, this means that it did not sanction the judges' appointment. He points out that mere inactivity of the parliament could result in the judges never being able to take up their posts.

Havel has also repeatedly challenged the idea to embed in the law the crime of high treason which can be committed by a single person - the president of the republic. He thinks that such a serious matter should be defined right in the constitution, or in a constitutional law or in the penal code.

Havel said today that he comprehended his right to return bills to the parliament as an instrument of businesslike cooperation between the parliament and the head of state, and as a challenge to the president to participate in the legislative process.

Dyba Comments on Austrian Duty Proposal

AU1406174993 Prague CTK in English 2028 GMT 10 Jun 93

[Text] Prague June 10 (CTK)—The proposal of the Austrian Government to impose additional duties on the exports of Czech agricultural machines is unfortunate, Czech Minister of Economy Karel Dyba told a press conference today.

Dyba believes that it is the result of pressure by some lobbies, including trade unions and businessmen's groups, on the Austrian Government, which is facing the worst recession since the late 1950's.

In the end, everybody, in particular the consumer who must pay domestic companies higher prices, pays for protectionism, Dyba stated.

Asked by CTK whether the Czech Republic was ready for any retaliatory moves in case that Vienna approves the proposed measures, Dyba answered that he was against any trade restrictions.

We will strongly demand that the trade be free and unrestricted and that no additional protectionist moves are imposed, Dyba said.

CNB Governor Comments on Interest Rates

AU1506082293 Prague MLADA FRONTA DNES in Czech 10 Jun 93 p 1

["vm"-signed report: "Commercial Banks' Reaction Is Reserved; Czech National Bank Threatens Administrative Action"]

[Text] The Czech National Bank [CNB] yesterday released approximately 10 billion korunas that large commercial banks had to deposit with the CNB free of interest after the currency split, within the framework of an increase in compulsory minimal reserves. At the same time, the CNB lowered the discount rate from 9.5 to 8 percent, which was its level in December 1992, prior to Czechoslovakia's partition.

The government immediately welcomed the CNB's step. Minister of Finance Ivan Kocarnik stated that it would "help revive the economy." The commercial banks' reaction is more reserved, especially regarding the CNB's expectation that commercial banks would lower their interest rates on credits more than their interest rates on deposits. CNB Governor Josef Tosovsky said yesterday that, in the event of the commercial banks' inappropriate reaction, the central bank was ready to resort to administrative measures to which it is entitled by law, such as setting the maximum profit margin or fixing a ceiling for interest rates on credits.

CNB spokesman Martin Svehla said that the cut in interest rates on credits should definitely exceed the cut in the discount rate. Some banking experts expect credit interest rates to fall between 2.5 and 3 percent and deposit interest rates between 1 and 1.5 percent.

Asked whether the cut in interest on deposits would not discourage savers, Martin Svehla said that the CNB did not expect an inflation rate in excess of 10 percent in the next 12 months. People depositing their money now should therefore not be afraid of a further depreciation of their savings.

Old-Block Payment Scheme Viewed

AU1406180993 Prague HOSPODARSKE NOVINY in Czech 8 Jun 93 p 1

["(do, ha)"-signed report: "The Clearing Account Old Block Is, Apparently, Nearing Its End"]

[Text] On the last day of May the balance in the new clearing block (payments after 8 February) amounted to 1.15 billion korunas to the detriment of the Czech

Republic, while on the same day the balance in the old block amounted to 537 million korunas to the detriment of the Slovak Republic. The daily volume of payments in the old block is gradually declining from hundreds of millions of korunas to only tens of millions of korunas.

The old block—which oversees payments for goods and services made prior to currency separation—is based on a fixed exchange rate between the two currencies from the day of currency separation. According to our information, during the negotiations on currency separation, the Czech side was not particularly inclined toward the idea of two blocks. However, because Slovakia insisted on this arrangement, the Czech side demanded that—at least—the old block be restricted to just six months. In the end, of course, not even this clause was included in the payments agreement. Nevertheless, it now seems that the old block will only survive another three months—to the next comparison of the two blocks' balances.

Following the first clearing of accounts on 15 May, the balance from this block was transferred to the new block and it started once again from zero. However, the volume of payments is declining significantly. Neither the Czech National Bank nor the Finance Ministry are able to estimate the volume of older mutual debts and outstanding payments between Czech and Slovak enterprises. More feeble daily movement on the old block, however, indicates that the entire operation is coming to an end. Bringing the old block to an end would, at the same time, eliminate the possibility of unfair practices, which take advantage of the fact that payments in the old block are conducted at a fixed exchange rate between the two currencies while payments in the new block are conducted at a fluctuating exchange rate. Both the Finance Ministry and the Central Bank know about these practices. Nevertheless, their experts do not think—in view of the safety valves in the commercial banks—that the Czech Republic's balance with Slovakia is under any risk from possible cheating.

After the old block balance was transferred to the new block (on 15 May), the Czech Republic's unfavorable balance in the new block declined from 2.68 billion korunas to 1.33 billion korunas. Although payments in the new block developed slightly in favor of the Czech lands during the next two weeks (up to 31 May), the balance is still negative—more Czech payments are heading for Slovakia. In view of the fact that, according to the customs statistics, Czech exports are higher than Slovak exports (a surplus balance amounting to some 3 billion korunas during the first quarter), the experts think the explanation for this lies in the amount of barter trade or in the fact that Slovak entities are paying their Czech partners from accounts held in Czech banks. Something more permanent is involved here; of course, with a limited time frame. This would apply, first and foremost, if the Slovak administration were to begin to oversee payments for the export of Slovak goods and services to the Czech Republic.

April Data on Economic Performance Reported

AU1606091393 Prague HOSPODARSKE NOVINY in Czech 10 Jun 93 p 3

["LV"-signed report: "Decline in Industry Continues, Recovery in Construction; Economic Results of the Czech Republic in the January-April 1993 Period"]

[Text] Based on Czech Statistical Office [CSU] data, the basic trend in the development of the national economy can be characterized as a smooth continuation of the development from the end of the first quarter. The recovery in construction, which has started to eliminate the shortfall from the first quarter, constitutes the sole exception. The price level can be characterized as relatively stable. The number of job applicants declined further, while the trend of growing average wages in industry, construction, and transport continued, compared with last year. The decline of industrial production has slightly intensified, while retail sales are approximately at the level of the same period in 1992. The state budget shows a surplus. Following an updating of the results for the first quarter, foreign trade shows a surplus of exports over imports, even though this surplus slightly declined in April.

Industry

In each month of the January-April 1993 period, total industrial output (including estimates for the results of organizations with fewer than 25 employees and of self-employed individuals entered and not entered in the trade register) fell short of the output in the same period of 1992. According to CSU's estimates, the decline, compared with last year, has been intensifying since February. Since February 1993, average daily output in current prices has remained at roughly the same level (of 3.7 billion Czech korunas).

In the January-April period, aggregate industrial output represented 95 percent of the level in the same period of 1992. Relatively high increases in industrial output were registered by self-employed individuals and small organizations with up to 100 employees. All the other categories of companies registered decline; the greatest drop in output was registered by companies having 1,000-1,400 employees (16 percent) and 3,000-3,999 employees (14 percent).

Enterprises having 25 or more employees accounted for 90.3 percent of total industrial output in the January-April period; their output was 7.3 percent lower than in the same period a year ago. A lower-than-average dynamism has been reported, in particular, in the production of machinery and electric and optical instruments, in the paper and pulp industry, and in mining for non-energy raw materials, ore mining, and quarrying. Producers of

leather and leather goods, rubber goods, and plastic goods, on the other hand, report higher output than in the same period of 1992.

Whereas industrial output and total sales increased only moderately (2.8 percent and 2.0 percent respectively) in current prices, compared with the January-April 1992 period, export sales were up 18.3 percent.

The number of employees in industrial organizations was 6.5 percent lower in the January-April 1993 period than in the same period in 1992, while average monthly gross wages increased 22.4 percent, to 5,445 korunas. Labor productivity per head calculated on the basis of current prices was 9.9 percent higher than in the January-April 1992 period but, when calculated on the basis of permanent prices, it was 0.9 percent lower than in the equivalent period a year ago.

Construction

The decline of building output (including estimated results for organizations with fewer than 25 employees and self-employed individuals entered and not entered in the trade register) is gradually leveling out, with April alone showing a 5.1 percent increase in building output over the same month last year. For the entire January-April period, however, building output still trails 5.3 percent behind last year's figure.

The volume of building work in organizations with 25 and more employees was 2.5 percent higher in April than in April 1992. Nonetheless, the entire January-April period shows a 9.3 percent decline of building output. The decline is accounted for by organizations with more than 100 employees, with the relatively greatest, 27.7 percent, drop of production reported by organizations with 400 to 600 employees.

The number of construction workers remained in January to April 1993 roughly at the level of the equivalent period a year ago (index: 100.2 percent). The average gross monthly nominal wage increased 28.3 percent in this period, to 5,903 korunas. Calculated on the basis of current prices, labor productivity per head increased 5.5 percent but when comparable prices are used, it declined 9.5 percent.

Transportation

The volume of freight carried on public roads in the January-April period, including private carriers, was 22.8 percent lower than in the same period a year ago. Performance in terms of tonne kilometers declined 11.3 percent. The decline affected, in particular, domestic transportation. The volume has been gradually growing since the beginning of the year, a trend which continued in April. In spite of this, the volume of goods transported in April reached only 90.2 percent and performance in terms of tonne kilometers only 95.0 percent of the level of April 1992.

Railway transportation was down by 5.5 percent for the entire January-April period. In April alone, however, the transport volume was 11.7 percent lower than in the same month a year ago.

The volume of freight carried in river transport was lower in April than in March, but still more than double the total for the first two months of the year. The volume of freight carried in river transport in January to April was 8.5 percent lower and performance in terms of tonne kilometers 23.3 percent lower than in the same period a year ago.

The average monthly nominal wage was 5,244 korunas, which was a 32.8 percent increase on the same period in 1992.

Agriculture

Primary producers' sales of farm products (including an estimate for the private sector) in the January-April period increased 23.0 percent for eggs and 10.6 percent for pigs for slaughter, compared with the same period a year ago. They declined, on the other hand, for cattle for slaughter (by 3.7 percent), poultry for slaughter (18.5 percent), and milk (11.2 percent). Sales to retailing and food-processing organizations, which accounted for 80 percent of total sales of livestock for slaughter, for 96 percent of milk sales, and for 40 percent of egg sales, showed the same general trend.

Domestic Trade

Retail sales totalled 124.5 billion korunas in the January to April period, with the value of retail sales growing from month to month. Compared with the same period a year ago, retail sales were up by 21.5 percent in current prices and by 1.3 percent in terms of physical volume.

Enterprises entered in the trade register accounted for 51.7 percent of retail sales. The physical volume of retail sales increased, in particular, in small enterprises with up to 25 employees (by 26 percent) and in shops run by self-employed individuals not entered in the trade register (by 19.4 percent). In enterprises having 25 or more employees, on the other hand, the physical volume of retail sales dropped almost 20 percent.

Average monthly nominal wages in retailing increased 19.6 percent, compared with the January-April 1992 period, to 4,277 korunas.

Foreign Trade

While processing data for the month of April, foreign trade data for the first quarter have been updated, primarily on the basis of a revision of originally flawed documents from customs procedures. Due to this updating, the originally reported export volume increased by 12.7 billion korunas and the import volume by 2.4 billion korunas.

Foreign trade turnover (except for trade with Slovakia) for the January-April period totalled 161.4 billion korunas, 13.3 percent more than in the same period a year ago. Imports were up by 18.9 percent and exports by 8.4 percent. With increases of 38.3 percent and 30.0 percent respectively, imports from EC and European Free Trade Association countries registered the steepest rise. Imports from the former USSR, on the other hand, markedly declined (by 23.1 percent). Czech exports, too, registered the greatest increase to EC countries (14.8 percent). Exports to the countries of the former USSR also developed dynamically, unlike imports from these countries, having increased 12.3 percent.

Since the beginning of the year, imports amounted to 78.7 billion korunas and exports to 82.6 billion korunas (excluding trade with Slovakia). The foreign trade balance showed a surplus of 3.9 billion korunas. When trade with Slovakia is included, the trade surplus increases to 6 billion korunas. In the course of April, the surplus in the balance of trade was reduced by 4 billion korunas (or by 3.3 billion korunas when trade with Slovakia is discounted). The Czech Republic achieved a surplus of 2.1 billion korunas in its balance of trade with the Slovak Republic in the January-April period, with exports amounting to 21.1 billion korunas and imports to 19.0 billion korunas.

Report Outlines Further Reductions in Army

AU1506115193 Prague LIDOVE NOVINY in Czech 9 Jun 93 p 3

["(gag)"-signed report: "The Czech Army Is Being Reduced in Size"]

[Text] Prague—Whereas, on 1 January 1993, the Czech Army had 106,477 personnel (36,959 in the Air Force and Air Defense), by 1 June it had been reduced by 8,608 servicemen and now has 97,869 personnel (32,862 in the Air Force and Air Defense).

It seems we are capable of achieving the limits resulting from the Conference on Security and Cooperation in Europe. According to them, we must achieve a "ceiling" of 93,330 personnel by the end of this year. The second phase of the aforementioned limits (by 31 December 1995) will "compress" our Army into 65,000 personnel.

The influx of Interior Ministry troops, who are being transferred to the Defense Ministry, may complicate the planned reductions in the Czech Army. From the information we have received from a senior officer in the organizational-mobilization administration, it is apparent that considerable costs are associated with reorganizing the Army, whether this involves transferring hardware, scrapping it, or retraining soldiers. Consequently, fewer Army personnel does not mean lower operational costs.

The Defense Ministry has also made public the number of troops to which the CSCE limits do not relate. These are the 12,302 servicemen who guarantee the smooth operation of other departments or who protect citizens from accidents and disasters (railroad troops—4,980; civil defense troops—4,782; units guarding facilities of special importance—1,521; and the UN peacekeeping forces—1,019).

Privatization Minister Submits Resignation

LD1506173793 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 15 Jun 93

[Text] Today's session of the Slovak Government was the first since last Saturday, when the leadership of the Movement for Democratic Slovakia [HZDS] met and gave a vote of no confidence to Minister of Education Matus Kucera and Minister for Administration and Privatization of National Property Lubomir Dolgos. Has the government dealt with the issue today?

[Begin recording] [Reporter Bulakova] I asked Ondrej Hanko, director of the press and information department of the Slovak Government to comment.

[Hanko] No, the government has not dealt with the issue in this sense. Mr. Kucera attended and read two laws—you can see that in the communique of the session. As for Mr. Dolgos, he was absent from the session. During the session his secretariat sent an apology. He is away from work [praceneschopny] at the moment. [end recording]

[Studio announcer] Although Ludmila Bulakova has made the previous report, we have telephoned Anton Bodis, spokesman for the president of the Slovak Republic. Michal Tvarozek asked him whether he could confirm unofficial reports of Minister Dolgos having handed his letter of resignation to the president this morning.

[Begin recording] [Bodis] Lubomir Dolgos, minister for the administration and privatization of national property of the Slovak Republic handed in his resignation to the president today.

[Tvarozek] What reason did Minister Dolgos state?

[Bodis] His decision was motivated by the vote of no confidence from the all-Slovak leadership of HZDS.

[Tvarozek] Is it—from the contents of the letter—an irrevocable decision?

[Bodis] I cannot answer this question on the basis of the letter he submitted to the president.

[Tvarozek] The question of another ministerial post remains open. Minister Kucera has also been given a vote of no confidence by the HZDS.

[Bodis] I don't know anything about Minister Kucera's decision as yet. [end recording]

Government Signs Agreement With IMF

LD1506184393 Prague CTK in English 1603 GMT 15 Jun 93

[Text] Bratislava, June 15 (CTK)—The Slovak Government today signed a declaration concerning its economic policy addressed to the mission of the International Monetary Fund [IMF], which recently concluded a working visit to Slovakia.

The government was represented at the signing by Finance Minister Julius Toth and National Bank of Slovakia Vice-Governor Marian Jusko. Toth characterised the elaboration of this agreement as very complicated and full of problems.

With the signature of this declaration, close relations were established with the IMF, and further to all international financial institutions, Toth said.

The agreement is conditional on a balanced state budget, whose deficit may not be more than five per cent of Slovakia's gross domestic product, which is estimated at 15-16 billion Slovak crowns (about 500 million USD). Further conditions are the acceleration of privatisation and the maintenance of hard currency reserves. The whole agreement, roughly ten pages, will be published in two days, Toth said.

If the agreement is accepted by the IMF's board of directors—which could happen within 10 days—Slovakia will obtain a loan of 90 million USD from the IMF by the end of July. Its term of payment is between 4.5 and 10 years at an interest rate of roughly six per cent.

This tranche for the support of systemic transformation should serve to support the Slovak economy, Toth said.

After six months a further 90 million USD may be offered, although it could be granted earlier in the case of signing a so-called stand-by credit. The interest rate of a stand-by loan is adjustable and depends on international market conditions, according to which the rate is currently hovering around six per cent. The term of repayment for this type of credit is 3.5-5 years.

Government Rejects Amendment to Unemployment Law

LD1506164593 Prague CTK in English 1611 GMT 15 Jun 93

[Text] Bratislava, June 15 (CTK)—An amendment to the 1991 law on unemployment containing stricter criteria for paying support to those seeking jobs was rejected by the Slovak Government at its meeting today.

The proposal did not pass because in light of the demands of the International Monetary Fund, such stricter criteria is not very strict, Minister of Labour, Social Affairs, and the Family Olga Keltosova told Slovak Radio today.

The amendment would have denied certain groups of people the right to unemployment support: those who willingly left their jobs and those were fired for discipline reasons.

After accepting the criteria of the IMF, I suppose that we will have to rework all (law) proposals concerning the social sphere, Keltosova said. The whole social security sphere will have to be reworked as well, she said.

Slovakia today signed a memorandum with the IMF on the basis of which the IMF will offer credit of 90 million USD to the republic. The credit should be offered immediately after the IMF's board of directors approves the memorandum. Slovakia will be able to draw a further 90 million USD in six months.

Joint Candidate for Inspection Office Sought

AU1606143793 Prague CTK in English 1922 GMT 14 Jun 93

[Text] Bratislava, June 14 (CTK)—Representatives of Slovak opposition parties confirmed today that they would stick to their agreement last week to seek a joint candidate to head the Supreme Inspection Office.

The confirmation by Christian Democratic Movement (KDH) deputy Chairman Ivan Simko came in response to the fact that the ruling Movement For a Democratic Slovakia (HZDS) and the Slovak National Party (SNS) have begun talks on forming a government coalition.

The SNS, KDH, the Democratic Left Party (SDL), the Hungarian Christian Democratic Party (MKDH), Coexistence and the Alliance of Democrats met today.

The HZDS-SNS negotiations are not opening the door for the formation of a grand coalition, Simko said. He added that today's opposition meeting implied no silent or open support for any two-party coalition, as had been requested Saturday by SNS Chairman Ludovit Cernak.

A communique from the meeting said that all opposition parties considered the country's health care situation critical and that they would seek support for changes in this area. SNS deputy Chairman Milan Ftacnik said his party would call for a parliamentary vote of no confidence in health care minister Viliam Sobona and seek changes during its coalition talks with the HZDS.

The opposition parties also discussed seeking more fairly proportioned representation among elected parliamentary functions such as committee chairmanships and the leadership of parliament itself.

The next opposition party meeting will take place next Monday immediately following the HZDS-SNS talks. Today's opposition meeting started an hour late because of a delay in those talks.

Council Denies Interfering With Media Freedom

LD1606064393 Prague CTK in English 0629 GMT 16 Jun 93

[Text] Bratislava, June 15 [date as received] (CTK)—The claim by Free Europe radio station that the activity of the Slovak council for radio and television broadcasts endangers the independence of the radio and television public corporations was dismissed by the council's chairwoman Emilia Boldisova last night.

The claim is a nonsense which is not worthy of the renowned station. Moreover it is misleading, she pointed out.

The council members said that a prepared bill on some measures to be taken in the sphere of radio and television redistributes broadcasting areas among law-defined broadcasters and licence broadcasters. The bill has been consulted several times with representatives from various spheres, including Slovak radio and Slovak television.

But Vladimir Stefko, director-general of Slovak radio, has dismissed this assertion as false.

Boldisova said that the bill on some measures in the area of radio and television broadcasts was not identical with the prepared merger law on Slovak radio and Slovak television in which the council has not participated.

The council deputy chairman, Fedor Bartko said that the council had not supported the bill and had had a number of critical reservations about it. We have passed them to those who prepared the bill without the council's knowledge, he said.

Slovene President Kucan Makes Statements

AU1506143393 Budapest MTI in English 1839 GMT 14 Jun 93

[Text] Budapest, 14 Jun (MTI)—Bosnia-Herzegovina is unlikely to survive the five years to come as a common state of Bosnian Moslems, Croats, and Serbs, Slovenian President Milan Kucan told reporters after his one-to-one meeting with Hungarian President Arpad Goncz in Budapest today.

In the current situation, when the conflict which started as aggression is turning into a civil war, the international community should guarantee the survival of the Moslems as a relevant political factor. Later on, under calmer circumstances, the three nations would have a chance to decide whether they wish to live together or divide Bosnia-Herzegovina, the Slovenian president told the press conference he gave together with Goncz.

In Kucan's view, it is shameful for Europe that the senseless and horrifying conflict in Bosnia-Herzegovina is still unsettled. He expressed the hope that initiatives by the Central European states could break the deadlock in crisis management. He stressed that the plans for a settlement should in no way be based on the situation which emerged as a result of war and ethnic cleansing.

The United Nations should guarantee the survival of Bosnia-Herzegovina within its current boundaries. Simultaneously, the peace process should continue under the Vance-Owen plan adjusted to reality. Both Belgrade and Zagreb must make guarantees and refrain from dividing up Bosnia-Herzegovina, Kucan said.

The Slovenian president recalled that the settlement of the Yugoslav crisis was primarily a European affair. This is why the United States relegated it to Europe.

In reply to a question, Kucan expressed his reservations over the arms embargo. "Although it was before a humane decision, in practice it only weakened the Moslems, so the international community is also implicated in the genocide," he said.

President Goncz said Milan Kucan saw the events of the Yugoslav crisis as part of a process and did not have a black-and-white view of them. He is considering solutions which would cool down the war and, after a certain period, enable the peoples involved to make their own decisions on their future. With the borders of Bosnia-Herzegovina remaining unchanged, this could make it possible for a canton system to be developed, which would naturally offer a chance for corrections and leave sufficient time for reaching a final settlement.

As a new element, Goncz and Kucan exchanged views on Russian involvement in the peace process. They agreed that Moscow's participation would be important and welcomed that it seemed to be playing a growing role in the efforts aimed at restoring peace.

Goncz said he would be pleased to meet President Yeltsin and discuss these issues with him next Monday.

President Goncz is scheduled to leave for a two-week trip to Russia on June 20, Sunday.

Asked about the chances of the escalation of war, President Kucan said this would be a genuine danger if Serbia were recognized as winner in the peace talks. This way the international community would recognize war as the best way to solve conflicts and then Kosovo and Macedonia would also be doomed to a similar fate.

The sides discussed the damage caused by the Yugoslav war. Goncz stressed that this war had no winners, only losers, and the latter included the neighbouring countries, too.

Both presidents saw bilateral relations as problem-free. They agreed that soonest possible agreements on free trade, investment protection, and removing double taxation would boost trade links.

Goncz said Budapest saw drawbacks neither in principle nor in practice to Slovenia's involvement in the Visegrad Group [Czech Republic, Slovakia, Hungary, Poland].

Iranian Foreign Minister Received by Goncz

LD1506190393 Tehran IRNA in English 1753 GMT 15 Jun 93

[Text] Budapest, June 15, IRNA—Iran's Foreign Minister 'Ali Akbar Velayati conveyed President Akbar Hashemi-Rafsanjani's message to his Hungarian counterpart Arpad Goncz here Tuesday.

At the meeting the two sides also reviewed ways of further consolidating Tehran-Budapest relations as well as important regional and international events. They voiced their deep concern over the continuation of the tragic situation in Bosnia-Herzegovina.

The Hungarian president declared his country's readiness to expand mutual ties with Iran. He also re-extended an invitation to President Rafsanjani to visit Hungary and said the visit would be an important step towards cementing of bilateral traditional ties.

Pointing to the growing trend of Iran-Hungary trade, President Goncz proposed the establishment of joint economic institutes and despatch of Iranian economic experts to Hungary.

Iran-Hungary trade in 1992 stood at about dollars 200 million.

Velayati who arrived here earlier Tuesday, termed Tehran-Budapest ties as deep and said in view of the long-standing solidarity between the two nations "we are optimistic towards the future of these ties."

He said the attitude of the Western countries towards the question of Bosnia was an open example of a double-standard approach to the issue of human rights.

Velayati added that today certain permanent members of the U.N. Security Council used the human rights issue as a political weapon. "Therefore," he said, "there is no optimism in the Islamic, Third and non-aligned worlds towards what is described as human rights in certain Western states." Because, he added, they believe that the human rights standards are determined in accordance with the cultural values of any society and that the Western countries could not impose their views in this regard on other countries.

He said the Bosnian issue had been turned into a "great tragedy of the present century" and warned that the "inappropriate attitude" of certain European and permanent Security Council member states would entail unpleasant consequences for the entire region.

In another development Tuesday, Velayati met with the Hungarian National Assembly President Gyorgy Szabad and discussed promotion of parliamentary cooperation between the two countries.

Meets With Szabad

LD1506200693 Budapest MTI in English 1710 GMT 15 Jun 93

[Text] Budapest, June 15 (MTI)—Relations between Hungary and Iran are problem-free, and links between the Hungarian Parliament and the Iranian Majles are also developing well, the speaker of Hungarian Parliament, Gyorgy Szabad, said in his meeting with Iranian Foreign Minister 'Ali Akbar Velayati, on Tuesday.

Szabad explained the work of parliament in the interest of democratic transformation and political stability.

The speaker of parliament mentioned the 1996 Budapest World Expo as an key possiblity for economic cooperation. This could well establish relations between geographically distant countries.

'Ali Akbar Velayati spoke appreciatively of rapid development in relations between Hungary and Iran. He felt it important for the two countries to cooperate in the world arena, with others, in the framework of the interparliamentary union.

Discusses Trade With Kadar

LD1506201493 Budapest MTI in English 1832 GMT 15 Jun 93

[Text] Budapest, June 15 (MTI)—Bilateral economic relations to date, and new openings, were discussed between Hungarian Minister of International Economic Relations Bela Kadar, also co-chairman of the Hungarian-Iranian Economic Joint Committee, and Iranian Foreign Minister 'Ali Akbar Velayati, in Budapest on Tuesday

Iran has for years been Hungary's largest export market in the developing world. In 1992, some 20 per cent of Hungarian exports to the developing countries, and 1.1 per cent of all Hungarian exports, were to Iran.

Hungary delivered 1,000 buses to Iran in 1991, and a further 300 in 1992. Also among the traditional Hungarian export products are power plant and incandescent lamp manufacturing installations, steel products, chemical materials, medicines, and rubber tyres.

Talks on the deliveries of more buses and trolley-buses are at an advanced stage, as are those on joint production of road vehicles in Iran. There is growing interest in Iran in agricultural purchases, and in specialist training.

Major Iranian oil deliveries to Hungary could come about with the possible re-opening of the Adria oil pipeline.

Finance Minister on Supplementary Budget Issue

LD1506175993 Budapest Kossuth Radio Network in Hungarian 0725 GMT 15 Jun 93

[Speech by Finance Minister Ivan Szabo introducing supplementary budget at National Assembly session—live]

[Excerpts] [passage omitted] I must say, right at the beginning that although the title of supplementary budget, which is in accordance with the name stated by the Budget Law, is obligatory as regards its contents, I have to say that what is at issue here is not a supplementary budget in which there is a rearrangement of revenues and a rearrangement of expenditures. What we should like to present to the esteemed National Assembly is the record of a situation—and we should like to gain authorization to draw the conclusions stemming from this—a de facto situation which, since the adoption of the 1993 budget, has become apparent, and we must be able to show this to all of Hungarian society.

What is at issue? If my esteemed fellow deputies look at the table headed The Central Budget's Balance, it becomes clear that the size of the depicted deficit is indicated as being 30 billion forints more than in the original budget. Properly speaking, the basic reason for submitting the whole supplementary budget is to finally make this deficit clear, to make it unequivocal, although I heard debates here in the committee and in many other places that everyone already knew this. The representatives of the individual parties said, in the committee, that the originally depicted deficit of Ft185 billion was unrealistic, because on the side of revenues, it could be predicted that payments of this amount would fail to materialize.

That, in truth, is the question at hand. However, it appears that certain international obligations did not, at the time, make it possible for this amount to be shown, or at least certain people feared that this could not be shown. In practice, this deficit in revenues is growing to the same extent as the amount which was indicated at the end of last year as hoped-for revenues, as a result of the compromise accepted in the Interest Coordinating Council in order to maintain the numerical value of the deficit.

I must add that this was the basic point concerning which, during negotiations, we managed to make the international financial organizations, namely the IMF, accept—and raise to the level of international agreement—the decisions and agreements last year of the Interest Coordinating Council without having to add a value to offset this on the side of revenues. That is, not only the country, but the world took cognizance that the Interest Coordinating Council agreement existed, and the concessions provided in it for society gained legality in all of the world's financial forums. [passage omitted]

On the other hand, at the items of expenditures, if we look at them, basically two changes will take place. One of the changes is that general reserves which originally amounted to Ft13.5 billion have been reduced to the level on which the government has already made a decision, in its own sphere of authority, and in most cases the payment has already started. [passage omitted]

The expenditure side will practically change by only one item; this is the sum of Ft3 billion which appears on the expenditure side of the budget under the heading of compensation for the increase of general turnover tax [AFA]. This debate today is not a debate on the AFA bill; this is why I do not wish to speak about it today. Yesterday the government submitted to the esteemed National Assembly the National Assembly resolution on the modification of the AFA Law and the different cases of compensation; this can be presented in the framework of that debate. [passage omitted]

This shortfall of the revenue side of the budget which led to the extra deficit of Ft30 billion establishes a fact which does not depend on our intentions—the original budget has to be accepted as something which cannot be realized. One can open an economic political debate on the reasons for this, but I also agree with those who say that it could very likely have been foreseen last December.

This is why I would like to close this short preamble with saying that the supplementary budget in fact does not include new distributions of income. [passage omitted] I can safely say that the supplementary budget itself, with the manifestation of the actual revenues and expenditures, with the fact that expenditures increase only by the amount of the compensation of the expected increase of the AFA, does not mean a direct extra burden for society. [passage omitted]

We are simply talking about the fact that the submission of the supplementary budget has been made necessary, on the one hand, by the need for a parliamentary approval of the issue of state securities necessary for financing the budget deficit.

On the other hand, it has become necessary because this is part of the package, about which I had the opportunity to speak to the esteemed house a few weeks ago, and the agreement with the IMF, the ratification of which is expected to take place in Washington in mid-July 1993. This supplementary budget is the only figure in the package on which the parliament can place its stamp of consent by its vote by the given date. [passage omitted]

In the spirit of this, I ask my esteemed fellow deputies to look at the budget, both sides of which reflect figures of fact, except the sum of Ft3 billion, in its balance, which is related to the proposed amendment of the AFA Law. [passage omitted]

HDF MP's To Form New Parliamentary Group

LD1406191393 Budapest MTI in English 1654 GMT 14 Jun 93

[Text] Budapest, June 14 (MTI)—Ten mps from the ruling Hungarian Democratic Forum (HDF) Party, including the leading HDF critic of present government policy, Istvan Csurka, are to form a new parliamentary group called Hungarian Justice.

They are currently members of the Hungarian Justice National Policy Group, set up by HDF mps a few weeks ago. Zsolt Zetenyi, National Policy Group member, who will himself not be joining the new grouping, told the press about the formation of Hungarian Justice after a four-hour session today.

Before a formal announcement, the mps will inform Prime Minister Jozsef Antall and Speaker of Parliament Gyorgy Szabad.

The new parliamentary group would pursue a more resolutely national-minded policy, and be sensitive to the crucial issues and social problems of the nation more consistently, Zetenyi said.

The new group's members decided that they would remain pro-government mps rather than become independent or opposition deputies. Nevertheless, they are to develop a position of their own before each government decision, Zetenyi said.

Istvan Csurka, who was excluded from the HDF parliamentary group on June 1, said, "the Hungarian Way Movement I formed is to maintain close links with the new parliamentary group."

New parliamentary group Hungarian Justice will contain Emil Bogdan, Laszlo Bognar, Istvan Csurka, Zoltan Deme, Lajos Horvath, Jozsef Kelemen, Arpad Miklos, Laszlo More, Miklos Reti, and Janos Toth-Kurucz, Csurka told reporters.

The group also hopes pro-Csurka mps Gyula Zacsek and Gyorgy Szilasy will join, but at present both politicians are abroad.

Although the new group informed Prime Minister and HDF Chairman Jozsef Antall of its formation, it does not yet wish to negotiate with him because, as Csurka put it, "the time for talks has not yet come, the matter is too fresh."

Despite the formation of the new group, the governing coalition will retain its majority in parliament. The new

group finds the supplementary budget before parliament unnacceptable because it hits large families, Csurka said. The supplementary budget submitted to parliament envisages a central budget deficit of HUF [Hungarian forints] 215 billion, instead of the originally projected HUF 185 billion. This is acceptable for the International Monetary Fund. If the supplementary budget goes through parliament, the IMF will ratify a loan agreement with Hungary in July, under which this country would receive USD 1.5 billion until late 1994. The supplementary budget proposes raising general value-added tax lower limits from 0 and 6 per cent to 10 per cent, and cutting central expenditure on social welfare.

Opposition Leaders View Political Situation

AU1506104793 Budapest NEPSZABADSAG in Hungarian 12 Jun 93 p 19

[Interview with Socialist Party Chairman Gyula Horn and Alliance of Free Democrats Chairman Ivan Peto by Lajos Pogonyi; place and date not given: "The Game Is Not Yet Over"]

[Excerpts] [passage omitted] [Pogonyi] In your opinion, what can we expect in the Hungarian Democratic Forum [MDF] after the removal of Csurka and his followers?

[Horn] The events that took place in the largest government party were unavoidable. The MDF was in danger of becoming isolated both in Hungarian society and in international life if it did not break away from the Csurka wing. There are extreme right manifestations everywhere in Europe, but not within the government parties or around them. [Prime Minister] Jozsef Antall could not afford to let the extreme right wing remain in his party, but it is true that they began forcing Csurka and his followers out of the party rather late; the MDF leadership continues to be very inconsistent in this endeavor. I hardly heard any statement debating Csurka's views on ideological and political levels; in fact, one could only hear criticism of Csurka's attitude. It is not by accident that all this crisis really broke out at the debate on the Ukrainian-Hungarian basic agreement, because the vote was a matter of prestige for the government and, primarily, for the prime minister. Getting rid of Csurka and some of his prominent followers is definitely a positive step.

[Pogonyi] This will be interesting because [MDF faction leader] Imre Konya said that there is a small Csurka inside all of us.

[Horn] Imre Konya probably meant himself, because there is no "small Csurka" in us. The big question now is whether the Hungarian Way Circles will turn into a party or will remain a political movement. If it turns into a party, this means that there will again be an extreme right-wing radical party in Hungary after almost 50 years.

[Pogonyi] Is that good for us?

[Horn] It is good in the sense that the front lines will become clearer and the extreme right will break away from the MDF. In spite of its governing failures, I would not disconsider the MDF, because a center-right party has and will have an influence on Hungarian society. The MDF will not collapse with the separation of the Csurka group, but it will face some smaller or greater crises. It is not yet clear how the members relate to the latest events. Only the party elite has spoken and moved so far. At the same time, I do not exclude the possibility that the Hungarian Way and the MDF might cooperate temporarily at the next elections.

[Peto] I think that the fact that things have gone this far is Jozsef Antall's major political failure because, even before the elections in 1990, Antall was aware of the problems caused by Csurka's views. Instead of the French solution, in which the consolidated right wing did not accept Le Pen, Jozsef Antall tried to focus on the German solution, namely to integrate the right-wing radicalism. This damaged the MDF's presentability a lot. However, Antall continued to stick to the idea of integrating Csurka's extremism into the MDF, even after August 1992. This attempt proved to be impossible. The idea that many of Csurka's views can be used in the MDF program is still there within the MDF. Therefore, I think that the situation is still very unclear in the MDF. [passage omitted]

I do not envy Jozsef Antall, because the game is not yet over. It is not an insignificant circumstance that, when economic decisions must be taken regarding the fate of this country, the government party is spending a considerable amount of its energy on its own internal crisis. It would be a good think for the Hungarian Way Circles to become a party because, this way, the front lines would become even more clear. It is another matter that, even if they made it into Parliament, they would not have genuine influence as an independent political party. In this respect, I am not pessimistic. Of course, it is possible that, despite all the conflicts, the Hungarian Way Circles will support the MDF in the second round of elections.

[Horn] It would be a positive development if Hungary becomes presentable with the separation of the radicals. This can also be expressed in millions of dollars, because foreign capital has become uncertain lately precisely because of the prevailing political instability and the Csurka-phenomenon. I do not exclude the possibility that the crisis in the MDF will bring a pragmatic line to the surface. This means that they would break with ideological governing and the development of a client system. There are chances for this, but this cannot be taken for granted either. The possible new line is no longer able to perform miracles in the remaining period until the elections. [passage omitted]

[Pogonyi] To what extent do you share the opinion according to which the MDF crisis and the government crisis is also Hungary's crisis? What is your opinion about Jozsef Antall's declarations, that he is no Mihaly

Karolyi who handed power over to Bela Kun but would not hand power over to any Ferenc Szalasi?

[Horn] Hungary is indeed in a crisis, and this crisis was caused by the government. In this respect, the connections are close. At the same time, in my opinion, the noise around the events in the MDF are exaggerated. The big noise is covering the real problems facing this country and the tasks facing Parliament and the government. Let us make it clear that we are not an MDF country. The MDF is only one of the six parliamentary parties, even if currently it is the biggest party. As for the threats of a return of Bela Kun and Ferenc Szalasi, this is partly unhistorical and partly false. All this is trying to suggest that there is no other alternative: The communists will be back if you do not vote for us. However, national conditions are totally different today compared with Bela Kun's times, and such trends are simply nonexistent in Hungary today. As for the danger of fascism, this is also impossible after the fall of the MDF-government. One of the major experiences of the past three years shows that the Hungarian society rejects the extremists. People are yearning for security and not for the old regime. [passage omitted]

FIDESZ Chairman Views Future Coalition

AU1506093893 Budapest NEPSZABADSAG in Hungarian 12 Jun 93 pp 1, 4

[Interview with Viktor Orban, chairman of the Federation of Young Democrats, by Istvan Varga in Somogyaszalo on 11 June: "Orban: We Will Not Participate in All Kinds of Coalition"]

[Text] The Antall government can remain in place even if Parliament does not actually vote for the supplementary budget. Three years ago, the agreement between the Hungarian Democratic Forum [MDF] and the Alliance of Free Democrats [SZDSZ] created a prime ministerial system in Hungary which is almost impossible to alter from the outside, Viktor Orban said, among other things, to our correspondent in Somogyaszalo, a small village near Kaposvar. This was the scene of the two-day conference of the parliamentary faction of the Federation of Young Democrats [FIDESZ].

This was the first time that one more than the usual number of people sat at the table because Zoltan Weszelovszky, who used to belong to the MDF faction, has joined the opposition.

Our correspondent asked Orban if the party had decided how to vote on the supplementary budget.

[Orban] We discussed this issue with [SZDSZ Chairman] Ivan Peto a few weeks ago and decided that neither party would wish to vote for the supplementary budget. We have not found any reason to change this decision. Therefore, the SZDSZ and the FIDESZ will vote against the supplementary budget.

[Varga] What are your main objections to the supplementary budget?

[Orban] First of all, we do not feel the change in the economic policy that should be reflected in the budget. It is totally missing an admission by the MDF that their economic policy is pushing the Hungarian economy toward collapse. It should be corrected, but all we can see is minor adjustments that do not significantly influence the process. The FIDESZ would be a partner to significant economic policy changes but not to minor adjustments.

[Varga] However, [Prime Minister] Jozsef Antall said that he is not willing to govern in minority.

[Orban] I do not see a clear connection between voting for the supplementary budget and the government majority. The Antall government can still remain in place even if Parliament does not accept the supplementary budget. Three years ago, the MDF-SZDSZ agreement created a prime ministerial system in Hungary which is almost impossible the alter from the outside. This has its advantages and disadvantages—at the moment, we are experiencing its disadvantages.

[Varga] Can we expect the current faction meeting to decide with whom the FIDESZ is willing to make an election coalition?

[Orban] Our views have not changed. We are willing to form a coalition with all the democratic forces after the elections and even then will not form one with the non-democratic parties. It is becoming increasingly clear which parties will be the determining forces in the next parliament.

[Varga] Which are these in your view?

[Orban] The MDF will not completely disappear and the SZDSZ will also be in Parliament. In my view, the Hungarian Socialist Party [MSZP] will perform better than in 1990. I trust that the FIDESZ can also expect better results. Naturally, the Christian Democratic People's Party [KDNP] may also continue to be a parliamentary party, the Party of Entrepreneurs may be elected to Parliament, and the Agrarian Federation also has a chance. We cannot exclude the Republic Party, either, but we still know too little about them.

[Varga] Do you think the National Democratic Federation has a chance?

[Orban] It cannot be excluded, but in my view, it is still in a dormant stage and has not really shown its organization.

[Varga] In what direction does the FIDESZ look for partners?

[Orban] We are ready to open both to the right and to the left if we can coordinate our programs. We only want to make strategic, rather than tactical, alliances. The point is that, if we can reconcile our programs, then we can

work together both with the MSZP and the MDF with a clear conscience. If we cannot reconcile them, then cooperation is impossible. We will not participate in any odd coalition. The FIDESZ will never assist an economic policy that does not face the country's actual economic situation. The current problems have to be solved now, and we cannot lay the burdens on our children through all kinds of budget-calculation techniques.

Rise in Producer Prices Reported

LD1406111593 Budapest MTI in English 1044 GMT 14 Jun 93

[Text] Budapest, June 14 (MTI-ECONEWS)—Producer Prices were 11.7pc higher in April compared to the same period of the previous year, the latest Central Statistical Office report shows.

April producer prices were 4.2pc up on December last year, with prices rising 0.8pc from March to April.

Monthly producer price increases slowed from 3pc in January to 0.3pc in February and 0.1pc in March. The February figure was revised from the original 0.5pc as a result of modifications in calculating the index.

Producer prices rose 12.7pc on the domestic market and 10.7pc on the export market in the 12 months to the end of April. The increases were 4.4pc and 3.7pc respectively compared to December.

The lowest increase of 2.6pc over the 12-month-period was in the metal industry. Producer prices rose 11.8pc for utilities and 13.2pc in the manufacturing sector. Bakery prices rose by 33.7pc, while prices were up 37.0pc in the sugar industry, 26.9pc in the wine industry and 33.3pc in the milling industry. Tobacco industry prices were up by 29.5pc, and timber, paper and printing industry prices by 18.0pc.

Compared to December, producer prices in April in the manufacturing sector were up 4.9pc, with prices in the food, drink and tobacco sector up 5.9pc. Producer prices of utilities rose by an average of 3pc, with water services up 28.6pc and electricity prices remaining unchanged.

Figures of the Hungarian Central Statistical Office on Hungarian industrial producer price indexes in the first four months of 1993.

Industry—Previous Month = 100

	January	February	March	April
Mining	102.7	102.4	98.3	97.3
Processing industry	102.4	100.6	100.6	101.1
Food, beverages	103.4	101.5	100.3	101.1
Textile, clothing, leather and fur	102.4	101.9	101.1	100.3
Timber, paper, and printed products	101.9	100.7	100.0	102.0
Chemical industry	102.3	99.9	100.8	101.7
Nonferrous mineral products	103.5	101.1	100.6	102.9
Metallurgy	99.4	100.2	99.9	100.7
Machine industry	102.6	99.7	101.1	101.9
Other processing industries	102.2	100.6	100.7	101.9
Electric energy, gas heat, and water supply	106.3	98.0	97.8	99.8
Industry total	**103.0**	**100.3**	**100.1**	**100.8**

Walesa: Reform Bloc Will Attract Wide Support

LD1506185693 Warsaw PAP in English 1809 GMT 15 Jun 93

[Text] Warsaw, June 15—"I am convinced that my proposals to form a Non-Party Bloc for Supporting Reforms (BBWR) to contest the forthcoming elections will attract support from a wide range of people engaged in agriculture, business and local government, people who will later take their seat in the new parliament," President Walesa said on Tuesday, in an interview for the Polish Press Agency PAP.

The president added that he will shortly address the nation, to clarify the aims and tasks of the BBWR. Decisions will also be made soon as regards the structure of the bloc and the number of lists of candidates to run in the elections.

"I think that Poland needs lobbies to deal with four themes: Workers, employers, farmers and local government. I would like specific people, rallied round those four groups, to enter parliament with ready programmes and be engaged exclusively in their implementation," Walesa said.

He said he wanted the future parliament to be more professional in its work within these four groups. "Believe me, this is a very good idea (...) because it does not destroy anything and creates a more professional parliament," Walesa claimed.

My idea will not destroy the party structure of parliament, but will support it now, when parties are weak, in solving problems, the president added.

It is necessary to determine still this week whether these four independent and self-governed groups will run in the elections separately, with their own candidates to the Sejm (Lower House) and Senate, or whether they would agree to cooperate and run side by side on one ticket, Walesa said and added that he will arrange for them to meet soon to decide on these questions.

Poland needs wise, professional management, he declared. "The time of struggle has come to an end, and so has the time of fragmented activities. That is why I must work in clearly defined groups," Walesa said adding that his move to establish lobbies is like setting up in advance Sejm committees to deal with four major problems.

Walesa suggests that each party to the bloc create its own programme. Hence, the "Siec" Solidarity Factory Committee's network should work out a programme to consolidate enterprises, while the programme for business should be formulated by businessmen themselves.

Each of the four lobbies would be independent and responsible before their electorate rather than the president, Walesa said. However, he did not rule out the possibility of new political parties eventually emerging from the bloc.

If this idea fails, if it is foiled by parties, the next parliament will also fail to survive, Walesa warned. "I want the parties to develop, and I will not interfere with that, but at the same time I want to seek effective solutions for Polish problems," he assured.

"If we again fail in doing what in my opinion we are supposed to do, then again it will be necessary to dissolve parliament and set up a presidential party, a party of Lech Walesa. It will be much weaker, but still the strongest. For the time being there is no need for its establishing. But I still have that last bullet," Walesa cautioned.

In his planned address to the nation Walesa intends to explain the reasons behind the idea of forming the BBWR. He will ask the public to support his plan.

Skubiszewski on Security Zones, Visegrad

AU1506111593 Prague RUDE PRAVO in Czech 9 Jun 93 p 13

[Interview with Foreign Minister Krzysztof Skubiszewski by Pavol Minarik; place and date not given: "There Should Not Be Various Security Zones in Europe"]

[Text] [Minarik] Have the recent political events in Poland affected the Foreign Ministry's activity and your work?

[Skubiszewski] Naturally, they have had a certain affect, but my work and that of the ministry is based on maintaining continuity in Poland's foreign policy. This work goes on independently of the changes in our country. The Polish foreign minister must enjoy—in view of his jurisdiction—good and uninterrupted cooperation with the president and the prime minister, and nothing has changed recently in this respect. Cooperation with Parliament, which the president has dissolved, is also important; but I think this is only a temporary measure because there will shortly be new elections in our country.

[Minarik] The proposal made recently by Ukrainian President Kravchuk to create a security zone in Central and East Europe has aroused the world's interest. This proposal is similar to a concept put forward by the Polish president to establish analogous regional groupings—NATO 2 and EC 2. What is your opinion?

[Skubiszewski] President Walesa's concept to establish a NATO 2 is different from the proposal presented to us in Kiev. Our president's concept follows up on NATO, whereas the Ukrainian idea of creating a security zone is, it seems, intended differently. It would require a great deal of clarification, for example, how this zone would be distinguished. We think a single security system should be established in Europe and that there should not be various zones. Of course, we realize that present day Europe has various levels of security—for example, NATO, to which neither Poland nor the Czech Republic belong. For this reason, therefore, we are turning to the

West because we also want to belong to this region. We think, however, that the West should come to us here. If we were to begin creating our own security zones, the West could leave us to our own devices. I am generally in favor of forging the strongest possible links with NATO and the Western European Union, which, although it is less active, is now beginning to increase its specific undertakings.

[Minarik] Hungarian Foreign Minister Jeszensky said recently in RUDE PRAVO that the Visegrad Group [Czech Republic, Slovakia, Hungary, Poland] is not a waiting room for the EC. What, in your opinion, is this grouping now?

[Skubiszewski] It is a group of countries linked by their proximity to each other and by their common interests, history, and traditions. The possibility of cooperating in various spheres derives from this. The fact that the Czech Republic, Slovakia, Hungary, and Poland have signed an agreement on a free trade zone implies the prospect of common economic interests. Apart from this, there are a great deal of political issues on which we have cooperated and cooperate, we consult each other on common problems, and we exchange opinions and points of view. This brings a certain element of stability into this part of Europe. In no way, however, can the Visegrad grouping be regarded as a replacement for our relations with the EC. These four countries are in fact linked by their efforts to join the EC. When this happens depends on their level of readiness, and that may be different in the individual countries. However, I regard this more as a matter for the future. Regional cooperation is important and beneficial and it will not prevent anyone from joining West European structures. Take cooperation among the Baltic states. Sweden, which is also applying to the EC, is very active here.

[Minarik] What is your assessment of Czech-Polish relations in the new conditions that emerged after the CSFR's breakup?

[Skubiszewski] I consider them to be very good. This involves a continuation of relations with the former Czechoslovakia, which, during the past three years, have reached a respectable level. Now it is necessary on our part to transfer them to the Czech Republic and Slovakia. I see no problem in this, although I realize a new era has arrived. This is not because the Czech Republic is a new state—it is, after all, a state with a long history—but because there is now a new configuration. I think all the signs are that we will continue to cooperate well in the future.

[Minarik] You recently turned down an attractive offer to work in the International Court in The Hague. Why?

[Skubiszewski] It was rather a difficult decision because I am, first and foremost, a lawyer. I have been involved in international law all my life, and if I were to become a member of the International Court in The Hague—and I have the qualifications for this—it would have been a significant appointment in my professional life. However, it occurred to me that I have major responsibilities in Poland, although—to be honest—I do not know for how long. A situation may arise whereby my departure could cause complications in Prime Minister Suchocka's coalition government. Certain problems can arise every time an important ministerial post is vacated. I think we avoided a possible upheaval at a time when it would not have been desirable.

Calls For Observance of Human Rights

LD1506224793 Warsaw PAP in English 1934 GMT 15 Jun 93

[Text] Vienna, June 15—Foreign Minister Krzysztof Skubiszewski on Tuesday said, addressing the second U.N. Conference on Human Rights, that the final document of the conference should give particular prominence to the observance of human rights in various countries.

In his speech the minister touched upon five crucial problems: The universality of human rights and their international dimension, the need for activity in this field, humanitarian law-making and its execution, structural reforms and their role as well as the role of extra-governmental organizations of human rights' defenders.

He stressed that human rights are universal for all human beings but this universality is weakened by economic differentiation of the world, influencing the states authorities' choice of human rights priorities, and cultural differences.

Krzysztof Skubiszewski emphasized that a favourable international climate created by a growing recognition of links between democracy, legal rule and human rights should be utilized by the conference to initiate a programme of activities ensuring assistance in constitutional reforms to new democratic states. This kind of help may prove more useful in the long run than financial aid, said the minister.

The foreign minister expressed the conviction that at present the main effort should be concentrated on respecting the already existent human rights which practically means the improvement of mechanisms of their implementation and general strengthening of the U.N. structures for human rights.

Krzysztof Skubiszewski backed the idea of appointing a U.N. high commissioner for human rights and setting up of an international tribunal on human rights which would penalize their violation.

Minister Skubiszewski also met at lunch with foreign ministers of states taking part in the conference, including Lojze Peterle of Slovenia, Javier Solana Madariaga of Spain, Niels Helveg Petersen of Denmark and Andrey Kozyrev of Russia.

The Polish foreign minister discussed the situation in the Balkan region with the Slovenian foreign minister who declared Slovenia was interested in joining the free trade zone being created by the Visegrad group of states.

The issues of Poland's expectations and hopes connected with the EC Summit due in Copenhagen Minister Skubiszewski discussed with the foreign ministers of Denmark and Spain.

The situation in Yugoslavia was also touched upon during the meeting. Skubiszewski said he was in favour of active involvement of Poland in peace missions and other missions connected with enforcing submission to international organizations' orders.

Kaczynski Views Election Prospects

AU1506161093 Warsaw GAZETA WYBORCZA in Polish 12-13 Jun 93 p 4

[Interview with Center Accord leader Jaroslaw Kaczynski by Dominika Wielowieyska and Wojciech Zaluska; place and date not given: "Let's Begin With the Banks"]

[Text] [GAZETA WYBORCZA] When will a center-right wing coalition finally emerge?

[Kaczynski] Next week, I hope. It will consist of the Center Accord [PC], the Movement for the Republic of Poland [RdR], and perhaps other groups as well.

[GAZETA WYBORCZA] What is it that links you to Antoni Macierewicz? He is a nationalist Catholic. Until recently, you considered this stream too radical.

[Kaczynski] This will not be the kind of coalition in which everyone agrees 100 percent with everyone else on every issue. We want to counteract the Belveder-postcommunist setup that has dominated Poland over the past few years. That is what joins us together.

[GAZETA WYBORCZA] What was the outcome of your talks with Solidarity leaders?

[Kaczynski] I do not imagine we will form a joint election bloc with Solidarity. Solidarity is too divided for that. If one part of Solidarity tried to join forces with us, other parts of Solidarity might rebel.

[GAZETA WYBORCZA] But "Network" [union of Solidarity factory committees] wants to create a pro-presidential election bloc.

[Kaczynski] If that happens, Solidarity's disintegration will be inevitable. A part of the union could certainly join forces with us then.

[GAZETA WYBORCZA] Imagine that you won the elections. What would be your government's first move?

[Kaczynski] The most urgent matter would be to repair the budget (increase budget income), because other activities, such as industrial restructuring and an active credits policy, depend on that. To make budget operations more effective, it is necessary to break up the economically fruitless nomenklatura setup in the economy, mainly in the banks. Thirdly, we would accelerate the process of privatization.

[GAZETA WYBORCZA] How much time do you need to replace the bank personnel, for example?

[Kaczynski] Several months.

[GAZETA WYBORCZA] The Olszewski government existed for six months. Why did it not do that?

[Kaczynski] Because it was a minority government. It could only count on 140 votes in the Sejm. It did not even succeed in upsetting Hanna Gronkiewicz-Waltz's candidature for the post of Polish National Bank chairman. Pity. Look at the people she has chosen to be her deputies.

[GAZETA WYBORCZA] Perhaps there was no one with better qualifications.

[Kaczynski] That is typical of GAZETA. You try to ridicule even the most obvious truths if they are stated by us. Why should party apparatchiks and former Interior Ministry functionaries be good bankers?

[GAZETA WYBORCZA] What will the center-right wing do with people who have lost their jobs because of their communist past?

[Kaczynski] I do not know. Let them go where they want. What Poland needs is an change of generations. The country cannot be led by people who bring their old People's Republic habits and setups into the Third Republic. The Democratic Union does not agree with us on this issue.

[GAZETA WYBORCZA] You organize rallies and promise an economic breakthrough. And yet there was no such breakthrough under the Olszewski government. The so-called Eysymontt Plan was implemented, basically a continuation of the Balcerowicz Plan. After the government's demise, Eysymontt himself joined the Liberals.

[Kaczynski] The name "Eysymontt Plan" was invented by those PC defectors who, together with Eysymontt, defected to the Polish Liberal Program. I can assure you we can afford our own economic program even without Eysymontt.

[GAZETA WYBORCZA] We would like to hear about it. Which economists should we ask?

[Kaczynski] I have no intention of making your work easier.

[GAZETA WYBORCZA] The PC is seeking the support of people who are dissatisfied with the reforms. Is it possible to pursue a sensible economic policy with voters like that?

[Kaczynski] Of course it is. At our rallies we do not promise pennies from heaven, and we not say we will develop Poland into a paradise within a short period of time. And our supporters understand that. In any case, it is not true that our program is only addressed to those who are disappointed. We also count on the support of those who think they might get even higher in life were it not for certain difficulties, such as difficulties in obtaining credits because bank managers reserve them for their friends.

[GAZETA WYBORCZA] What do you think of the president's idea of a supra-party proreform election bloc?

[Kaczynski] I do not think it stands a chance. The president is trying to establish a political backdrop at all costs. He knows that all the parties, except perhaps a section of the Christian- National Union, are quietly opposed to him and that soon he will not be able to rely on them.

[GAZETA WYBORCZA] But there years ago you were very keen on the idea of a presidential party.

[Kaczynski] It was a sensible idea then. We wanted a strong presidency, but we also wanted this presidency to have a strong democratic backdrop. We knew that otherwise, the president would take the state administration and convert it into an instrument of repression against the opposition. We were right. That is exactly what is happening now in Poland.

[GAZETA WYBORCZA] Why did you vote against the government, that is in favor of the dissolution of parliament?

[Kaczynski] An opposition is usually opposed to the government. If the result of the vote had been different, a general strike might have occurred. We wanted to avoid a general strike, and that is why we voted against the government. In any case, this government did nothing to expand its base.

[GAZETA WYBORCZA] But before the vote you tried to negotiate with Jan Maria Rokita.

[Kaczynski] What are you talking about? Would I talk to Rokita, the enemy of the nation? We do not even say good morning to each other. This government did not want our support, and even called us an anti-Polish opposition.

[GAZETA WYBORCZA] Being an avid anti-Belveder person, you have handed Walesa an enormous amount of power.

[Kaczynski] The idea that I should vote for the president because I fear the government is nonsense. In any case, I do not think the president's position has strengthened. The election campaign will affect him as well.

[GAZETA WYBORCZA] So if you frighten us with a Walesa dictatorship, we should consider that as a joke?

[Kaczynski] We are threatened by a dictatorship all the time, mainly because of the impotence of a government that is unable to counterbalance Walesa's power. The latest demonstration is an example. Prime Minister Suchocka is personally responsible for what happened on the streets of Warsaw on 4 June, though everyone knows the decision was made in the Belveder.

[GAZETA WYBORCZA] But do you take responsibility for the posters accusing several eminent politicians of collaborating with the secret police?

[Kaczynski] It was a very bad idea to picture Mr. Geremek on one of those posters. In any case, I know nothing about his cooperation with the secret police. As for insulting the president, the NIE weekly constantly does so, but I did not observe GAZETA becoming offended with that, and the prosecutor general did not conduct any enquiries.

[GAZETA WYBORCZA] On Corpus Christi Day [10 June], Primate Glemp appealed to politicians to stop their aggression and stop spreading the political struggle into the streets. Did you take his words as a personal message?

[Kaczynski] No, because I do not relish brutality. It was the police who were brutal during the demonstrations. Generally, I accept the primate's appeal. We are ready to hold a peaceful campaign, provided that the other side does not attack us, taking advantage of its influence in the media.

[GAZETA WYBORCZA] So there will be no more street marches?

[Kaczynski] The PC is not planning any.

Finnish Foreign Minister Signs Loan Agreement

AU1406203393 Bucharest ROMPRES in English 1856 GMT 14 Jun 93

[Text] Bucharest, ROMPRES, 14/6/1993—Finland's foreign minister, Heikki Haavisto, who arrived at Bucharest Monday, June 14, told the press that this was his first visit to Romania, that he had come here to strengthen the ties between the two states.

A ceremony was held Monday, June 14, for the signing of a second loan agreement between Romania and Finland, according to which Finland is going to give Romania two million dollars worth of a loan as part of the financial assistance to be granted by the Group of 24 in support of the reform programme on 1992. A protocol was also signed between the governments of Romania and Finland concerning the same loan.

Florin Georgescu, Romanian minister of finance, and Finnish Foreign Minister Heikki Haavisto, made short statement for the press after they signed the said documents.

Florin Georgescu said that today's signing stood proof of the good relations between Romania and Finland, that was a sign that the reform promoted by the Romanian Government was backed by our foreign friends. We think that is the right moment for Romania to be given loans, but it is not only the money that matter, but also the message to the Romanian Government and people, underlined Florin Georgescu.

The Finnish foreign minister said that his country felt admiration at the way Romania was heading towards the market economy, in order to join the international economic system. After the signing one year ago of the first loan agreement, we could notice that your country made important steps along this road, added Heikki Haavisto.

Meets President Vacaroiu

AU1606070893 Bucharest ROMPRES in English 1145 GMT 15 Jun 93

[Text] Bucharest, ROMPRES, 15/6/1993—"The Finns admire the way the democratic transformations proceed in Romania", said Finland's Foreign Minister Heikki Haavisto, at the interview with Romanian Premier Nicolae Vacaroiu on June 15.

The Romanian premier mentioned "the permanent support" given to Romania by Finland in the post-revolution period. At the same time, he presented the process of industrial restructuring, explaining also the facilities offered by Romania to foreign investors.

The guest stressed that the relations with Finland ought to be much intensified, especially the economic and commercial ones and explained that Finland too, was negotiating its membership of the European communities. Finland would support Romania, because all countries of Europe should collaborate within the EC, the Finnish foreign minister also added.

Meets With Opposition Leaders

AU1606070993 Bucharest ROMPRES in English 1438 GMT 15 Jun 93

[Text] Bucharest ROMPRES, 15/6/1993—Oliviu Gherman, the chairman of the Romanian Senate, received Tuesday, June 15, Heikki Haavisto, Finland's foreign minister. Gherman said that the visit of Finland's minister of external affairs in Romania had "a special significance," that it would favor "real contacts and significant links between Romania and Finland."

Gherman proposed that a delegation made up of leaders of the Finnish parliament pay a visit to Romania and that members of parliamentary commissions of Finland come to Romania and vice versa.

The Finnish delegation currently in Romania, led by Heikki Haavisto, head of Finland's diplomacy, successively met Tuesday, June 15, with members of the foreign policy commissions of the two houses of the Romanian Parliament and with leaders of the opposition, that is, Corneliu Coposu, chairman of the National Peasant Christian-Democratic Party [PNTCD], Petre Roman, chairman of the Democratic Party (National Salvation Front) [PD-FSN], and Bela Marko, who chairs the Democratic Union of Hungarians in Romania [UDMR].

Bilateral issues were tackled, ways to expand and strengthen bilateral links.

Haavisto Pleased With Visit, Departs

AU1606071093 Bucharest Radio Romania Network in Romanian 1500 GMT 15 Jun 93

[Text] Finland's Foreign Affairs Minister Heikki Haavisto concluded his two-day visit to Romania and left Bucharest this afternoon.

The head of the Finnish Foreign Ministry told our reporter Doina Saiciuc at Bucharest's Otopeni International Airport that he is very pleased with the results of his visit. Western countries ought to support the reform process in Romania, Haavisto pointed out, adding that he intends to organize summit meetings in Bucharest. The Romanian foreign minister had already been invited to visit Helsinki, Haavisto said.

Iliescu Addresses Disarmament Conference

AU1606102793 Bucharest Radio Romania Network in Romanian 0820 GMT 16 Jun 93

[Speech by President Ion Iliescu to the festive meeting of the May-June session of the Disarmament Conference in Geneva on 16 June—live in English with superimposed translation into Romanian]

[Text] Mr. President, Mr. Secretary General, ladies and gentlemen: I take particular pleasure in addressing this unique forum of negotiations in the area of arms control and disarmament. So many hopes are linked to its activity and results so that—on the eve of a new millennium—the world may become a more secure and better place for all nations.

I am glad to be able to take the floor at this time when the Geneva conference is presided over by you, Mr. President, a prominent representative of the PRC with which Romania is developing relations of active cooperation and mutual respect.

I am moved to be speaking here in the Palace of Nations where 62 years ago the eminent Romanian and European politician and diplomat, Nicolae Titulescu, with impressive foresight said: The conference on disarmament will be the cornerstone of understanding among nations. Today his words are more topical than ever. Acting professionally, the conference on disarmament has achieved a number of noteworthy results. The most recent and also one of the most important ones is the convention on the prohibition and destruction of chemical weapons.

The responsibility of the Geneva conference and the expectations of all nations are even greater in the new international political and military situation. All of us are vitally interested in the dynamics and efficiency of the negotiations. The end of the cold war and the liberation of international relations from the burden of ideology and the collapse of its pillars of support have practically led to the disappearance of the risk of an East-West military confrontation.

Moreover, the structural changes in Central and Eastern Europe, as well as the developments in other parts of the world, have created a new situation for regional and world security. All this will create an appropriate atmosphere for relaunching negotiations, for an ingenious approach, and for achieving further progress on the road to settling the problem of weapons and disarmament.

The United Nations' revival in accordance with its natural vocation in keeping with the UN Charter, the enhanced role of the UN General Assembly and especially of the UN Security Council, the consolidation of the CSCE and other regional processes seem to confirm the increased role of the political factor compared with the military one. This should also bring about a truly positive change for the disarmament negotiations as part and parcel of the process of strengthening international peace and security.

New standards of political and military conduct have to be agreed on among nations based on practical measures for arms control and equivalent arms reduction, and based on strengthening trust and security.

The zones of instability, tension, and conflicts seem to proliferate all over the world. The Yugoslav tragedy is particularly dangerous for the peace and security of the whole of Europe. For the first time in more than 40 years, it has brought back the flames of war on our continent. Other conflicts in the former states of the Soviet Union, as well as in other parts of the world, are no less reason for concern.

On the European continent, the widening of economic gaps between the new democracies in the process of transition to a market economy and the developed states constitutes, along with other nonconventional risk factors, one of the main sources for instability and insecurity in Europe.

Certainly, disarmament negotiations cannot provide answers and miraculous solutions to our problems. But I am confident that the Geneva Disarmament Conference can exercise a sensible, significantly greater impact in its sphere of competence in support of the great political, economic, and social processes facing this end of the 20th century.

Indeed this is a challenge. It is a challenge for the Geneva Conference and for the participating states and certainly for their representatives present here. Romania is constructively approaching the questions regarding the conference agenda, its structures, and work methods. We welcome the present process of reflection over the whole of the multilateral debating and negotiating mechanism regarding arms control, disarmament, increase of confidence, and security strengthening. Beyond its technical aspects, this is a political task that requires both a realistic foundation and a sense of vision so that it can provide viable answers to the current and future security conference of all nations.

It is our hope that the result of the ongoing dialogue will be to optimize the relationships between various structures, to update the agenda, to define the new priority objectives, and to decide on ways and means of achieving them. Several items on the conference agenda engage your attention that seem to be even more promising for negotiations and practical actions at this stage. I would only refer to one of growing interest for the international community, namely transparency in armament. This is of increasing concern for the United Nations, toward which the Geneva Disarmament Conference cannot remain idle. Conventional arms are the ones used in the hot spots on our planet. Arms transfer often represents the main destabilizing factor in many regions of the world. Moreover, the balance of forces established in time or by international agreements in various sensitive regions and zones can be undermined through preferential conventional arms transfer policy. Under these circumstances, we believe that openness about armaments both in quantitative and qualitative terms, should rightfully hold an important place in the overall activity of the Geneva Disarmament Conference. In our view, the overall aspects regarding openness in armaments could be regulated through an international treaty of universal scope, which could set standards, procedures, as well as an appropriate implementation mechanism. In order to prepare the ground for such a

comprehensive and complex work, the first stage should be aimed at drafting guidelines with the value of an international code of conduct. The experience in this field of the five permanent members of the UN Security Council could represent a starting point and a useful contribution to the future efforts of the Geneva Conference as well as of the United Nations, the CSCE, and various regional bodies.

Mr. President, ladies and gentlemen, your negotiations will be successful to the extent to which the governments of your countries would be ready to place the common interest of nations to live in peace and security above all other considerations. I take this opportunity to address to the Geneva Conference the appeal to spare no energy in making progress in arms reduction, disarmament, confidence, and security.

As a faithful member of the United Nations and of the Disarmament Conference and as a partner in the European and Euro-Atlantic Structures, Romania wishes to cooperate closely with the other participating states for this goal.

May I wish you every success in your endeavor for the benefit of international peace and security.

Thank you very much. [applause]

Railroad Engineers Halt Strike, Conclude Protocol

AU1606080693 Bucharest Radio Romania Network in Romanian 0400 GMT 16 Jun 93

[Excerpt] The general strike of rail engineers concluded this morning at 0400 local time [0100 GMT]. After about 10 hours, the reconciliation between the representatives of the administration board of the National Railroad Company and the leaders of the Free and Independent Trade Union Federation of Rail Engineers took concrete shape in a protocol, which includes stipulations regarding the fulfillment of the greater part of the union's claims.

During the meeting, it was agreed that an additional hazard allowance of 15 percent for rail engineers, rail personnel, and train-maneuver personnel will be granted as early as this month. The administration accepted the salarization scale proposed by the federation as a basis for negotiating the future collective labor contract and agreed to respect hierarchy indicators, starting the month of July.

Messrs. Aurel Novac, secretary of state, and Teodor Groza, head of the Rail Transportation Department in the Ministry of Transport were the mediators of the discussions. The majority of the trade union leaders who were present in Brasov and the members of the management councils of the regional federation, accepted the reconciliation protocol and agreed to resume railroad activity.

Our correspondent, Mihai Secelean, asked some of the participants in the dialogue to make statements exclusively for our radio station. Thus, Mr. Viorel Hrebenciuc, general secretary of the government stated, quote, the truth about this conflict should be somewhere in the middle, the administration also having to bear some responsibility. In addition, people lost patience waiting for solutions to some problems that have taken too long to be solved.

Mr. Aurel Novac, secretary of state at the Ministry of Transport stressed that the major part of the rail engineers' claims have been fulfilled and, as far as the other claims are concerned, the Ministry will examine them with the utmost responsibility.

Mr. Ioan Vlad, the leader of the Federation of Rail Engineers in Brasov expressed his hope that the organizers of the strike in the provinces will take all required steps to resume railroad activity.

For the time being, we have been informed by our correspondents that the situation in the provinces is still confusing. [passage omitted]

Foreign Media Bulletin: Balkan Crisis 16 June
WA1606171393

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Military leaders of three warring sides sign cease-fire agreement ... New round of peace talks opens in Geneva; Bosnian Serb leader Karadzic agrees to postpone unification with Serbs in Croatia ... Bosnian Croat leader Boban protests foreign countries' recognition of Izetbegovic as Bosnian president ... FRY Prime Minister Kontic announces 75 percent of budget earmarked for Army, dinar devalued ... Muslims report Serbian shelling of Gorazde, Sarajevo ... Croat-Muslim clashes in central Bosnia reportedly continue.

POLITICAL

WARRING SIDES SIGN CEASE-FIRE (Sarajevo Radio, TANJUG, Paris TV): Bosnian Army commander Delic, Bosnian Croat commander Petkovic, Bosnian Serb commander Mladic sign cease-fire agreement to go into effect at noon on 18 June. Mladic agrees to allow UN team into Gorazde, pledges to end cut-off of drinking water for Srebrenica. Reaction to agreement mixed. Sarajevo Radio says meeting held in "better atmosphere than ever before," participants appear to be "serious" about ending fighting. UNPROFOR commander Morillon says he "really needed" the agreement in order to continue his mission. Petkovic, however, admits he is "not very optimistic" about the cease-fire lasting. (LD1506215593, LD1506195793, AU1606123693)

NEW PEACE TALKS OPEN (TANJUG, AFP): New round of peace talks among Serbian President Milosevic, Croatian President Tudjman, Bosnian President Izetbegovic, Bosnian Serb leader Karadzic opens in Geneva. Milosevic, Karadzic meet with Tudjman to discuss possible changes to Vance-Owen plan, "normalization of relations" between Croatia and Serbian Krajina. Bosnian Serb leader Karadzic agrees to postpone unification with Serbs in Croatia "to avert further bloodshed in Croatia." Warning, however, that Serbs in Bosnia and Croatia will unite "if the peace process fails," Karadzic says that referendum on unification will go on as planned on 19-20 June. (LD1606111993, AU1606141793)

BOBAN PROTESTS RECOGNITION OF IZETBEGOVIC (Zagreb Radio): Bosnian Croat leader Boban sends protest note to Governments of France, Germany, Austria, Turkey, Great Britain, over invitation for Alija Izetbegovic to visit these countries as "president of Bosnia." Note says Izetbegovic is a representative "only of Muslims" in Bosnia and has no "right to represent" Bosnia as a whole. (LD1206142393)

DINAR DEVALUED (TANJUG, Belgrade Radio): FRY Prime Minister Kontic announces that 75 percent of federal budget earmarked for Yugoslav Army, dinar has been devalued to 1.1 million dinars to one U.S. dollar in order to combat black market exchanges, increase foreign reserves in National Bank. (LD1506200593, AU1606124693)

MILITARY

SERBIAN SHELLING REPORTED: Sarajevo Radio reports Bosnian Serb shelling killed 10 in Gorazde, three in Sarajevo. Artillery attacks also reported in Zavidovici, Maglaj, Zvornik. (LD1506215293, AU1506192193)

MUSLIM ATTACKS CONTINUING (Zagreb Radio, Belgrade Radio): Bosnian Croat forces report Muslim attacks in central Bosnia continuing, causing "15,000 people" to flee "burned-down villages." Bosnian Serbs in area say Croats "constantly in retreat," some 1,500 Croats seek shelter with Serbian forces after overnight clashes. (LD1506180593, AU1606105693)

Cease-Fire Agreement Signed at Sarajevo Airport

AU1506183593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 15 Jun 93

[Text] According to the agreement signed at the Sarajevo airport today, the cease-fire and the freezing of military activities on the territory of Bosnia-Herzegovina should take place on Friday, 18 June, at 1200 [1000 GMT]. Ratko Mladic, commander of the aggressor army, has issued a written order permitting the passage of UN military observers to Gorazde, starting tomorrow at 1200.

Talks on turning Sarajevo and Gorazde into protected areas will be discussed the day after tomorrow, on 17 June, within the mixed military group.

'Protagonists Serious'

LD1506214293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 15 Jun 93

[Excerpts] Sarajevo airport was very busy, although there were no humanitarian flights to Sarajevo today. Here is a report by Zoran Pirolic:

[Pirolic] The last chance meeting, which was held at Sarajevo airport, has brought about the new, 20th-odd cease-fire in Bosnia-Herzegovina. It is due to come into force at noon [1000 GMT] on Friday, 18 June.

It is difficult to see whether the ball will stop on this number in the Bosnian roulette, although the impression was that all the protagonists were serious, that the meeting was held in a better atmosphere than ever before, and that all of them were, at least in word, for peace and a political end to the Bosnia-Herzegovina tragedy.

The number one point of the general agreement on the cessation of conflicts in Bosnia-Herzegovina, states that from noon on 18 June, all three sides will give written orders to their forces to halt conflicts and to freeze all military activities, including military movements, stationing of troops and further fortifications.

The agreement was signed by the commander of the general staff of the Bosnia-Herzegovina Army, Rasim Delic; the commander of the general staff of the Croat Defense Council [HVO], Milivoj Petkovic; and the commander of the aggressor's Serb army, Ratko Maldic.

Generals Lars-Eric Wahlgren and Philippe Morillon, and the head of the UNPROFOR [UN Protection Force] civilian sector, Cedric Thornberry, signed the agreement on behalf of UNPROFOR. [passage omitted]

Immediately after the cease-fire agreement was signed, we interviewed the commander of the general staff of the Bosnia-Herzegovina Army, Rasim Delic.

[Begin recording] [Delic] As far as the Bosnia-Herzegovina Army is concerned, we will observe everything that has been agreed upon, and it is up to other sides to do the same. I personally think that what we want has been achieved. We want, above all, a cease-fire and resolution in line with political decisions made so far, that is, what has been achieved so far in connection with the implementation of the peace plan in Bosnia-Herzegovina. [sentence as received]

[Unidentified correspondent] Does this agreement apply to Gorazde in any way?

[Delic] As you have heard, this a general cease-fire agreement, which means a general cessation of hositilities. Hence it applies to all areas. As far as Gorazde is concerned, you have heard that UN observers will enter it at noon tomorrow. This is the first step toward the implementation of Resolutions 824 and 836 on safe areas.

[Correspondent] Will this be too late for Gorazde?

[Delic] Not, it won't be late, and indeed, it could have come even later.

[Correspondent] Are there any sanctions envisaged for violations of this agreement?

[Delic] UNPROFOR has specified sanctions in the sense that they will supervise the agreement. But these are not yet concrete sanctions. I expect that the time will come for these too. But we do not want these sanctions to be reduced to reporting violations, but for them to become real sanctions that will ensure that the agreement is observed. [end recording]

[Pirolic] The commander of the HVO General Staff, Milivoj Petkovic, was less optimistic.

[Begin recording] [Petkovic] You know what? I will believe in these agreements five days after they come into force. I will forecast nothing.

[Unidentified correspondent] Five days are needed?

[Petkovic] Well, I give it three days to see whether it will be observed, although hostilities can die down—perhaps not 100 percent—in two hours. All movements, everything can be halted if there is will.

[Correspondent] Will this cease-fire be different from all others?

[Petkovic] I do not know; I do now know why it should be different. I am afraid it will be just like the previous ones. I have no faith in [word indistinct]. [end recording] [passage omitted]

[Pirolic] Apart from the cease-fire agreement, two further agreements have been signed today. Commanders Rasim Delic and Milivoj Petkovic have signed a protocol on Bosnia-Herzegovina pledging that both sides, the Bosnia-Herzegovina Army and the HVO, will inform UNPROFOR daily about the situation on the ground, naturally, in areas where clashes between the two sides were or are under way.

A joint commission will start work to accelerate the implementation of the Medjugorje agreement in Mostar on 18 June.

In the presence of numerous witnesses and UNPROFOR leaders, the commander of the aggressor Serb army, Ratko Mladic, issued a special written order saying that an eight-member UN team must have free passage through all defense lines and checkpoints from Pale to Gorazde from 1200 [1000 GMT] on 16 June.

So, several important agreements have been signed at Sarajevo airport today. They will prove their true worth on the ground.

HVO Commanders Cautious

LD1506215593 Belgrade TANJUG Domestic Service in Serbo-Croatian 2009 GMT 15 Jun 93

[Text] Belgrade, 15 April (TANJUG)—The Serbian side will honor the signed document on cessation of hostilities between the warring parties, something it has always done. I hope our rivals have come to their senses and realized that only negotiations, rather than war, can bring about a lasting peace in the area of ex-Bosnia-Herzegovina, Colonel General Ratko Mladic, commander of the general staff of the army of the Serbian republic, told SRNA at Sarajevo airport today.

"Our side today also assumed an obligation to enable eight monitors of the UN peace force to reach Gorazde," Gen. Mladic said.

Col. Rasim Delic, commander of the Muslim Army, has also given an exclusive statement to SRNA on the agreement signed on ceasing hostilities in the area of ex-Bosnia-Herzegovina.

"If there is enough sincerity, I hope that today's agreement will come into being and be honored in its entirety," Delic said.

In his statement to SRNA, Col. Gen. Milivoj Petkovic, the commander of the Croatian Defense Council [HVO] of the Croatian community of Herceg-Bosna, is not optimistic regarding the signed agreement.

"We should wait until three days have elapsed so we can trust the signatures and their good intentions. Bearing in mind the HVO's experience thus far in its relations with the Muslim side in central Bosnia and the Neretva valley, I am not much of an optimist," Petkovic said, according to SRNA.

Pledge To Allow Observers

AU1506153193 Paris AFP in English 1500 GMT 15 Jun 93

[Text] Sarajevo, June 15 (AFP)—The top military commanders of Bosnia's three warring factions signed a general ceasefire agreement here Tuesday to come into effect at 1000 GMT Friday across the war-torn republic, officials said.

During the meeting at Sarajevo airport, Bosnian Serb General Ratko Mladic also gave a written pledge to allow U.N. troops into the besieged east Bosnian Moslem enclave of Gorazde on Wednesday [16 June], they said.

It was the first meeting since the Bosnian war began 14 months ago of Mladic, Bosnian Croat militia chief Milivoj Petkovic and the head of the mainly Moslem Bosnian army, Rasim Delic.

In Geneva, U.N. mediator Thorvald Stoltenberg confirmed the agreement and said the Bosnian Serbs had also pledged to allow drinking water into another Bosnian Moslem enclave, Srebrenica.

Srebrenica and Gorazde are among six Moslem-majority enclaves declared safe havens by the United Nations. But Serbian forces have continued their attacks on Gorazde, reportedly advancing to within less that a kilometer from the city's defense lines.

Intense fighting has also broke out in recent weeks in central Bosnia between Croats and Moslems, erstwhile allies against the Serbian secessionists.

Thorvald said Mladic agreed to let eight U.N. military observers into Gorazde by about midday Wednesday.

French General Philippe Morillon, the commander of U.N. troops in Bosnia and Swedish General Lars-Eric Wahlgren, the commander of the U.N. Protection Force (UNPROFOR) in the former Yugoslavia chaired the airport meeting.

Morillon Comments

LD1506195793 Paris France-2 Television Network in French 1800 GMT 15 Jun 93

[Excerpts] Perhaps there is a real glimmer of hope in Bosnia. For the first time in a long time, the three warlords—Serb, Croat, and Muslim—met at Sarajevo airport. [passage omitted]

[Begin video recording] [Phillipe Morillon, UN Protection Force commander] It is another bit of paper, but I really needed it to be sure of being able to continue my mission. We have put a number of practical conditions on this bit of paper.

[Unidentified correspondent, superimposed over Morillon answer] You have a guarantee that the orders will be obeyed on the ground?

[Morillon, continuing answer] The catastrophe we were about to plunge into—we have given ourselves a way to stop it. [end recording]

Karadzic To 'Postpone' Joining Serb Republic, Krajina

AU1606141793 Paris AFP in English 1357 GMT 16 Jun 93

[Text] Geneva, June 16 (AFP)—Bosnian Serb leader Radovan Karadzic indicated Wednesday [16 June] he would postpone unification of the self-proclaimed Serb republic in Bosnia and its Croatian counterpart to avert further bloodshed in Croatia.

But Karadzic, here for a key session of peace talks involving the Bosnian war's main protagonists, told the TRIBUNE newspaper that he would not postpone the weekend referendum on unifying the two regions amid urgent behind-the-scenes moves by the international community to halt reported plans for a major Croat offensive.

Karadzic said the Croatian Serb republic of Krajina "is ready for unification and the Croats are ready to attack. So we will probably put back unification, but the referendum will still take place on June 19 and 20.

"We want to give the peace process a chance," he added. "If this peace process fails then we will be able to unite."

Karadzic also confirmed his intention to propose a new peace plan for Bosnia-Herzegovina, based on dividing the territory into three ethnic zones, during the talks which began here Wednesday.

Diplomatic sources indicated Croatian President Franjo Tudjman is preparing to launch a major offensive in the next couple of days to prevent the referendum from taking place.

Analysts say he has come under concerted pressure from European governments to back down and thereby prevent further embarrassment for international peace brokers.

Germany, which maintains close links with Croatia, dispatched its foreign affairs minister Klaus Kinkel late Tuesday for urgent talks with Tudjman.

Following the hour-long discussion Tudjman said Croatia dismissed hasty solutions and sought a political solution but "would not tolerate indefinitely the occupation of a quarter of its territory."

The mandate of the U.N. Protection Force (UNPROFOR) currently maintaining a barrier between hostile Croatian and Croatian Serb forces expires at the end of June, and U.N. leaders fear Tudjman may oppose its renewal.

Krajina Serbs meanwhile continued from early Wednesday a bombardment of hinterlands near the Croatian coastal town of Sibenik between Zadar and Split, Radio Zagreb reported, without giving further details.

To resolve the conflict in Bosnia, Karadzic proposed a three- point plan incorporating an immediate end to hostilities, giving the three warring factions "three distinct territories" and establishing a framework for relations between the three "states."

"But what we cannot accept is domination by the Moslems," he added.

The Geneva talks are being brokered by by Lord Owen and Thorvald Stoltenberg, the joint chairmen of the peace conference on the former Yugoslavia.

They spent Wednesday morning in informal discussions with the Serbian faction comprising Karadzic, Serbian President Slobodan Milosevic and President Momir Bulatovic of Montenegro, Serbia's ally in what remains of Yugoslavia.

Owen and Stoltenberg were to meet later Wednesday with Milosevic, Bulatovic, Tudjman and Bosnian President Alija Izetbegovic, while Serbian sources said Tudjman and Milosevic shared a working dinner late Tuesday [15 June].

The joint chairmen are seeking a consensus in Geneva for modifying the Vance-Owen peace plan which, crafted by Owen and former U.N. mediator Cyrus Vance, would divide Bosnia into 10 semi-autonomous provinces along ethnic lines.

Bosnia's Moslem-led government and Croat community have accepted the blueprint but Bosnian Serbs have turned it down.

Fighting in Gorazde, Sarajevo Before Cease-Fire

AU1606074493 Paris AFP in English 0729 GMT 16 Jun 93

[By Michael Adler]

[Text] Sarajevo, June 16 (AFP)—Serb forces shelled the besieged Moslem enclave of Gorazde overnight, ahead of the expected arrival of U.N. military observers there at noon (1000 GMT) Wednesday and a ceasefire on Friday, a ham radio operator reported.

"When they heard that today (Wednesday) U.N. military observers should finally come to Gorazde, the Chetniks (Serbs) celebrated that in their own peculiar way. They shelled Gorazde for the whole night," ham radio Cerator Enes Musovic said in a Radio Sarajevo report at 7:00 a.m. (0500 GMT).

He said the shelling was falling on the town itself, key site in a region in eastern Bosnia-Hercegovina 50 kilometres (30 miles) by 30 kilometres (18 miles) and home to 70,000 people.

There was sniping and shelling in Sarajevo late Tuesday and overnight even after the commanders of Bosnia's three warring armies agreed at Sarajevo airport Tuesday to a total cessation of hostilities in the former Yugoslav republics and to allow U.N. observers into Gorazde. In

the Gazin Han district, in hills in the east of the city one person was killed in a fire after Serb forces fired incendiary rounds into a house.

The ceasefire decided at the first military summit of all three sides since war began in the former Yugoslav republic in April 1992 is due to begin at noon (1000 GMT) on Friday, according to a signed agreement.

This latest truce after over a dozen failed ceasefires comes after U.N. commander for Bosnia French General Philippe Morillon warned last week that the U.N. Protection Force (UNPROFOR) would pull out if violence did not stop escalating in Bosnia.

It also comes as E.C. negotiator Lord Owen and U.N. envoy Thorvald Stoltenberg are to chair a meeting in Geneva Wednesday of all the political leaders of the Bosnian warring parties, as well as Franjo Tudman, president of neighboring Croatia and Slobodan Milosevic, president of neighboring Serbia.

Bosnian Serb authorities have prevented U.N. observers from entering the U.N.-declared safe haven of Gorazde for weeks, while Bosnian Serb troops attack it.

The toll as of Tuesday in fighting raging since May 28, according to Radio Sarajevo, was 640 killed, 1,500 wounded and 50 villages burned.

Bosnian Serb commander Lieutenant General Ratko Mladic signed a written statement Tuesday that said an eight-man U.N. team had the right as of noon (1000 GMT) Wednesday "to establish themselves inside and around Gorazde."

The ceasefire agreement also included a clause that "utilities (water, power and electricity)" should not be used as weapons.

In Geneva, Stoltenberg on Tuesday took this to mean that U.N. troops would be allowed to fix the water supply for Srebrenica, like Gorazde a U.N.-declared haven in eastern Bosnia.

"I hope we see water for Srebrenica and observers to Gorazde but I'll believe it when I see it," Stoltenberg said.

To work out the ceasefire, Mladic, Bosnian Croat HVO army chief Milivoj Petkovic and the head of the mainly Moslem Bosnian army Rasim Delic met at Sarajevo airport in a session chaired by U.N. commander for former Yugoslavia Swedish General Lars-Eric Wahlgren, with Morillon present.

3 Killed, 6 Wounded in Sarajevo

LD1506215293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 15 Jun 93

[Report by correspondent Hasan Grusic]

[Text] There were casualties in Sarajevo today. Three people, including one child, were killed and six seriously wounded in sudden shelling.

In the Star Grad municipality, shelling was accompanied by small-arms fire. One child was killed in the municipality in sudden shelling around 1915 [1715 GMT].

A shell that fell on Fuada Midzica Street [north Sarajevo] around 1800, killed one and seriously wounded four people.

One person was killed and two seriously wounded in the sudden shelling of Buljakov Potok around 1600.

The enemy was opening fierce artillery fire on free Vogosca territory [north of Sarajevo] from 1600 hours. The situation was most serious in the Ugorsko and Barice areas.

The enemy has scaled down its combat activities this evening, so the city is relatively quiet with just occasional provocations. Only Stari Grad municipality, which the enemy is shelling from Mount Trebevic [southeast of Sarajevo], is not quiet. Snipers are active in Sedrenik [northeast Sarajevo].

New Muslim Attacks Reported

LD1506122693 Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian 1000 GMT 15 Jun 93

[Excerpt] Here are Miodrag Stanisic, Savo Guzina, and Gordana Krunic reporting from the Sarajevo battlefield:

[Stanisic] The situation on the northwestern part of the Sarajevo battlefield is very difficult, unpredictable, and tense—particularly in Zabrdje. Muslim units in this area are trying to break through towards the Rajlovac-Ilijas road. New attacks by Muslim soldiers are expected on the Perivoj-Vis part of the front. Muslims are bringing in fresh reinforcements to the area which was formerly used as a garbage dump, next to the Zuc plateau. [passage omitted]

Serbs in Sarajevo Suburb Attacked

LD1606003493 Belgrade TANJUG in English 2311 GMT 15 Jun 93

[Text] Pale, June 15 (TANJUG)—Moslems launched a fierce attack on Sarajevo's Serb-populated suburb of Rajlovac on Tuesday evening.

TANJUG's correspondent reported that loud explosions were rocking this part of the front in the war-shattered capital of the former Yugoslav Republic of Bosnia-Herzegovina. No word was immediately available about casualties on the Serb side, but the Bosnian Serb army said that the line of defence had not been changed.

The attack came only hours after Moslem, Serb and Croat army commanders had negotiated another ceasefire at Sarajevo airport earlier in the day.

The ceasefire should take effect on June 18.

Serbs Reach Gorazde Outskirts; Muslims Reinforcing

LD1506150193 Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian 1300 GMT 15 Jun 93

[Text] Muslim forces from the wider area of Gorazde and Trnovo tried to breach Serb-held positions in the direction of Kalinovik and Foca last night as well. A report by Scepan Aleksic.

[Aleksic] Fierce clashes between Foca and Gorazde and around Dobro Polje, on the road from Kalinovik to Sarajevo, are continuing unabated today. The command of the Herzegovina Corps announced that strong Muslim forces, who received reinforcements consisting of two brigades yesterday afternoon, are charging towards Serb positions from the direction of Mount Igman and the town of Trnovo, trying to break through to Gorazde and join with forces operating from that direction. The latest reports from the field say that the Serb fighters not only managed to defend their positions from the assaults staged by the Green Berets, whose current numbers are over 15,000 men on this section of the front, but also made a thrust some 15 kilometers deep into enemy territory over the past two days and succeeded in liberating several Serb-populated villages.

Serb forces are tightening the noose around Gorazde while units of the Sarajevo-Romanija Corps from the direction of Visegrad have arrived at the outskirts of this formidable Muslim stronghold.

Two days ago, the Serb republic army sent a rescue appeal to the Muslim civilians in Gorazde offering them a safe exit from that town. The proclamation suggested that they should leave with white flags towards Kopaci and Ustipraca where they would be accepted and evacuated to the desired destination. Until this afternoon, however, nobody has yet proceeded in the direction of Kopaci and Ustipraca. The command of the Herzegovina Corps claims that a large number of civilians in Gorazde wish to escape from the town. They are prevented, however, from doing this by the command of extremist Muslim forces which said over Radio Gorazde that this is a ploy and that nobody who takes off in the direction of Kopaci and Ustipraca can be guaranteed survival.

No casualties were registered on the Serb side in today's clashes around Gorazde.

Attacks on Gorazde, Brcko, Bihac

AU1606112293

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 16 June in its regular 22-minute newscast carries several reports on the fighting in the republic.

From Gorazde Mustafa Kurtovic reports that "since this morning, the aggressor has been increasing the shelling of all parts of the town" and that "this morning, the aggressor threw chemical agents on the town as well and, according to reports from the hospital, many citizens have been poisoned by these prohibited agents."

A studio announcer quotes a report by Nihad Salihovic and Hamid Deronjic as saying that "intensive chetnik artillery attacks were registered on the Brcko battlefield last night. The enemy operated antiaircraft guns, mortars, howitzers, and tanks, and the most activity was registered at Lipovac and Brod." A correspondent adds to this that "along with incessant fire from antiaircraft guns and Broving guns, Brod was pounded by a 155-mm howitzers. An 82-mm mortar continued this activity in the early morning hours."

The studio announcer says that "the aggressor was occasionally shelling the Bihac region and constantly fired both heavy and light weapons at the Velika Kladusa section of the battlefield" and that "according to the Croatian Defense Council Headquarters of the Bihac region, chetniks from the so-called Serbian autonomous region of Krajina acted against (?our fighters') positions in the region of the former Bihac air base from [words indistinct]. During the night, some time about 2100 [1900 GMT], the enemy fired several howitzer shells on the Bihac region. A general alarm sounded after that is still in force."

'Chemical Agents' in Gorazde

AU1506192193

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 15 June carries in its regular 42-minute newscast several reports on the fighting in the country.

Enes Musovic reports from Gorazde that "this afternoon two more civilians were killed, and three wounded, which brings the total of those killed in yet another hellish Gorazde day to 10, and the wounded to 14. This has been the result of the chetnik pounding of the town with howitzer incendiary shells and chemical agents."

Reporting from Zavidovici, Viktor Boban says that "the fierce enemy attack on the free territory has been going on since this morning. Howitzers, recoilless guns, antiaircraft guns, mortars of all calibers have so far fired several hundred destructive projectiles at the defense lines and civilian targets." He says that "the heavy infantry attack launched this morning on the Rujnica front has been successfully repelled and our brave lads have launched a counterattack."

The Second Corps Seven South Operative Group reports from Tesanj that "the chetnik attacks on the defense positions have continued throughout the day. The aggressor fired mortars and used tanks from Omerovo Guvno and (?Husari) this morning. However, every time the defenders responded, the chetnik guns would fall silent. Antiaircraft guns and machine guns were sporadically firing this afternoon, and artillery was used against Sije and (?Mravici), where three civilians were wounded,

two of them children." The report says that "Maglaj was today pounded by tanks from the direction of (?Plocice) and [word indistinct], while 120-mm mortars from the direction of Potocari were used against the Doboj defenders. The aggressor has been regrouping his forces, among which units of the Yugoslav Army and some units consisting of Russians have been registered."

In his report from Zvornik, an unidentified correspondent says that "the shelling of the free territory has not stopped since this morning. The northwestern parts of the front, particularly the area of Skakovica, have been exposed to the worst of it as over 100 tank and howitzer shells have landed on the area. There is constant small-arms fire as the chetniks are regrouping."

The Teocak Press Center reports that the "enemy is intensifying his combat operations. From their stronghold in (?Zajednice), the chetniks have been pulverizing the residential districts of Teocak with howitzers. The damage is vast."

Describing the situation in Sarajevo, the studio announcer says that "two of our citizens were killed and (?six) wounded in sudden shelling today."

'Blood, Death, Ruins'; 8 Killed

AU1506153993

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1300 GMT on 15 June carries in its regular 34-minute newscast several reports on the fighting in the republic.

Fahrudin Bekic reports from Gorazde that "eight people were killed, and 11 seriously wounded in this morning's episode of the chetniks' frenzy over Gorazde. The fierce attack that started at 0545 [0345 GMT] this morning is still under way. They are again using the heaviest artillery against civilian targets." He says that "several heavy infantry attacks have been repelled on (?Desno Brdo) and (?Bratina) alone, and one chetnik tank and an antiaircraft gun have been destroyed in (?Orahovice). This morning the chetniks fired chemical agents at the town. Symptoms of serious poisoning have been registered in five cases." Bekic says that "two more Muslim villages in the Gorazde area have been burned to the ground, (?Dvorista) and (?Vila), three kilometers from Ustipraca. The population is in agony as it is impossible to bury the dead and help the wounded. There is no food for the hungry and medicine for the ill. There is nothing but blood, death, and ruins."

Reporting from central Bosnia, Hajro Delibegovic cites the Press Center of the Bosnia-Herzegovina Army Third Corps as saying that "the Croatian Defense Council [HVO] fighters are continuing to breach the cease-fire, and terrorizing the Muslim civilians, particularly in Kiseljak. Together with the chetniks, they shelled yesterday the village of (?Grahovice), which has been besieged for days now. The village was exposed to crossfire from 155-mm howitzers. After the shelling, the chetniks and the HVO units launched a joint infantry attack. According to the same source, hand-to-hand fighting took place." He says that "Kakanj was relatively quiet, while in Catici the HVO fighters handed over all their weapons and equipment, expressing their reluctance to participate in the attacks against the army, and the ethnic cleansing in central Bosnia."

The studio announcer cites the Northern Herzegovina Operative Group as saying that "the HVO members are now in an open coalition with the Chetniks against Konjic. In a joint attack, the HVO fired with small arms at the Konjic defense positions, while the chetniks used their artillery along the (?Berija)-Bijela-(?Tiganj)-Glavaticevo route."

Serb Attacks on Zavidovici, Maglaj, Vogosca

AU1606093993

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 16 June in its regular 10-minute newscast carries several reports on the fighting in the republic.

From Zavidovici Adnan Dzonlic reports that "fighters of the Army of Bosnia-Herzegovina and citizens of Zavidovici have lived through one of the most difficult days of aggression on the free territory of Zavidovici. It started yesterday morning before 0600 [0400 GMT] with a strong artillery attack on all inhabited places and defense lines: 122-mm howitzers, tanks and guns of various calibers, [words indistinct], mortars of all calibers, and other weapons were in action until 2300 when the last shells out of a total of 300 fell on the town, [words indistinct] Hajdarovici, Rujnica, and other populated places. Chetniks launched a very strong infantry attack on the Rujnica defense lines yesterday [word indistinct]." Further on, Dzonlic says that "this morning seems to herald another tempestuous day: (?Antiaircraft guns from the heights) are in action against the villages in the valley of the Krivaja River."

Hajrudin Sermic reports "the aggressor's activity in the Maglaj battlefields: He is firing his artillery, carrying out tank movements in the direction of defense lines, and destroying civilian targets on the free territory. There was heavy fire from a (?70-mm) antiaircraft gun on the town and the defense lines in the region of Plana. A tank was in operation against our fighters' positions in the region of Stari Grad and [words indistinct] another tank, this time the Donji (?Bradici) district, creating more material damage. About 2100, along with prolonged and strong mortar support, Chetniks tried to send a subversive group to the [name indistinct] part of the battlefield, the region of [words indistinct], Njive, and [name indistinct]. Our fighters successfully repelled this attack. Our defense lines are still firm and intact."

The Gradacac Press Service reports that "while yesterday morning was completely calm with minor provocations from light weapons, late afternoon and early

evening brought significant artillery attacks on all sections of the battlefield. About 50 (?tank) projectiles were launched from Gornje (Cecane) at Novalici and Lukavac, along with support from a Bofors." Further on, the report says that "it was not calm on the eastern section of the battlefield either as a (?mountain) gun fired from the heights at Bandera and Liporasce" and that "all these attacks lasted from 1900 to 2100 when the situation calmed down considerably and the night passed with minor infantry provocations." Finally, the report says that "this morning it is calm in Gradacac."

A studio announcer says that "this morning is relatively calm in Sarajevo. The peace is occasionally interrupted by sniper activity in the communes of Centar and Novo Sarajevo, as well as activity from a sower of death [a type of a machine gun] from Spicasta Stijena. We were told by the Vogosca Security Station that the aggressor carried out an infantry assault on defense lines there last night."

Muslims Attack Bosnian Serb Positions

LD1506181093 Belgrade TANJUG in English 1647 GMT 15 Jun 93

[Text] Banja Luka, June 15 (TANJUG)—Formations of local Moslems on Tuesday attacked positions held by the Bosnian Serb Army and Serb villages in northern and central Bosnia. The center of Doboj and Serb villages around this town in northern Bosnia were heavily shelled, Bosnian Serb military sources said.

Moslem formations attacked also positions held by Bosnian Serbs in the region of Posavina in northern Bosnia, said the statement. The statement said that formations of local Croats and the regular Army of Croatia opened infantry and artillery fire on Bosnian Serb Army positions around Orasje in northern Bosnia.

Moslem formations attacked also Bosnian Serb positions around Teslic and Zavidovici in central Bosnia, said the statement.

Bosnian Serb military sources also said that it was mostly quiet in the region of Sarajevo on Tuesday, after three days of heavy attacks by Moslem formations on Serb villages and positions held by the Army of the Serb Republic in former Bosnia-Herzegovina.

Muslim 'Campaign of Terror' Against Serbs, Croats

LD1506135893 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 15 Jun 93

[Text] Muslim forces are continuing their attacks on Croat areas in the Novi Travnik, Vitez, Busovaca, and Kakanj municipalities [central Bosnia]. Muslim attacks have also continued in the Croat-held part of the Konjic municipality, particularly on the Croatian Defense Forces [HVO] positions in Boksevica. The HVO is successfully repelling all attacks. Muslim forces are waging a campaign of terror against remaining Croats and Serbs in Konjic. Their movement is restricted but some of them are still trying to leave the area. A group of Serbs tried to cross the Neretva River to seek shelter with the Croats. Muslim soldiers noticed this and killed four Serbs. Since the beginning of Muslim terror about 500 Serbs from Konjic have sought shelter in villages controlled by the HVO.

Attacks on Croats Continue

LD1506141893 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 15 Jun 93

[Excerpts] Fierce attacks by the Muslim Army on Croat villages and positions of the Croatian Defence Council [HVO] in central Bosnia have not stopped. Twelve HVO members were killed and 43 wounded in exceptionally heavy battles which were waged last night around Novi Travnik and villages north of Travnik.

Muslim forces are still trying to take the Travnik-Guca Gora- Zenica road. They are continually bringing in reinforcement from Zenica and are stepping up attacks on the remaining villages under HVO control. Last night they attacked Croat villages south of Novi Travnik, the villages of Margetici and Pecine. One thousand Croats are still encircled there and the Muslim army has not allowed the peace forces to rescue them.

Strong infantry attacks around Novi Travnik were repelled this morning, following which the town of Novi Travnik and its surroundings have been somewhat quieter. Muslims last night fired more than 200 shells of various calibres on Novi Travnik and its surroundings. They also opened mortar and artillery fire on the village of Brnjaci near Kiseljak from the direction of Visoko. One person was killed and three were wounded, it was announced at the command of the HVO's central Bosnia third operational zone.

It was agreed that a convoy with 24 seriously wounded people should leave the Franciscan hospital in Nova Bila today escorted by the UN Protection Force. [passage omitted]

Columns of people evicted from burned down Croat villages in the ethnically completely cleansed municipality of Kakanj are still arriving in Vares. It is increasingly difficult to find accommodation for them and food supplies are running low because Vares has been sealed off for more than a month.

UN Halts Relief Flights After Planes Fired On

LD1506174193 Belgrade TANJUG in English 1623 GMT 15 Jun 93

[Text] Belgrade, June 15 (TANJUG)—The United Nations on Tuesday once again halted all relief flights to Sarajevo after fire was opened on two planes close to the airport of the capital of the former Yugoslav Republic of Bosnia-Herzegovina, the Zagreb representative of the U.N. High Commissioner for Refugees (UNHCR), Alenka Lisinski has said.

Reuter said that humanitarian flights were stopped after the pilots informed the control tower that they were fired upon a number of times and that the missiles had closely missed the aircraft.

Serb and Moslem troops were, at the time in question, engaged in exchanges of fire near the airport.

"It is not clear whether the planes were the target, but it was too near for comfort," the UNHCR representative said.

HVO, Croat Civilians Seek Refuge With Serbs

AU1606105693 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 16 Jun 93

[Branislav Bozic report]

[Text] Fleeing from the terror of the Muslim forces, approximately 1,500 civilians, mostly of the Croatian nationality, and a small number of Serbs arrived to the positions of the army of the Serbian republic at Komar mountain pass, between Travnik and Srbobran, former Donji Vakuf, last night. These are the villagers of Margetic, Hadzici, Venetic, Pecine, and some other villages surrounding Novi Travnik.

With them were approximately 400 members of the Croatian Defense Council [HVO], who surrendered arms to the Serbian forces. Another HVO unit in (?Lasva) valley sent a message and request to bring more civilians and accompany them itself as the protection. At this moment, it is, therefore, completely unclear as to how many Croats will arrive to this part of the territory of the Serbian republic.

Fierce artillery and infantry battles can be heard in (?Lasva) valley. The HVO is constantly in retreat and is suffering enormous losses. The refugees speak of total ethnic cleansing by the Muslims, who are killing and burning everything in front of them.

There is a great storm at Komar and in this entire region which makes the acceptance of refugees difficult; however, the army of the Serbian republic is even giving up its regular meal to feed tired and starved mostly children and old people of the Croatian nationality. The civilian authorities of the Serbian Republic are also there.

Muslim Attacks Resume in Mostar, Konjic

LD1606104693 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 16 Jun 93

[Text] Muslim forces have resumed their attacks along the demarcation line in Mostar and the surrounding area. Muslims are also attacking Mostar's suburbs, the military bridge, and southern approaches to the city. They are launching artillery and mortar attacks and firing infantry weapons. Croatian Defense Council [HVO] soldiers responded adequately, destroying a bunker and all of its crew. A sniper wounded one HVO soldier in the Tihomir Misic barracks.

Chetniks have also engaged in provocations. Last night they fired several mortar and artillery shells from their strongholds in Dobro Dublje and Ravnice.

In the Konjic area, Muslim forces launched artillery and mortar attacks against positions of the Herzeg Stjepan Brigade and the Croat villages of Obri, Donja Visnjica, Falanovo Brdo, and Zabrdje. HVO soldiers are still in control of their defense lines. Serb units have also launched artillery attacks on Konjic.

Croats Flee as Muslims Capture Villages

LD1506180593 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 15 Jun 93

[Excerpts] The Muslim Army has taken Kraljeva Sutjeska near Kakanj and 26 villages in the area, the command of the Kakanj Croatian Defense Council [HVO] reported from Vares today. Most residents of this village, which was the seat of Bosnian kings and is famous for a centuries-old Franciscan monastery, managed to escape to Vares via mountain paths despite constant fire. About 15,000 people driven out of mostly burned down villages in the Kakanj municipality are being given accommodation in Vares in factories, schools, and other premises, but all this is not enough, and many refugees are still out in the streets. [passage omitted]

It has been requested that the wounded and exhausted civilians should be transferred from Vares to Croatia. There is no water supply in Vares and electricity has been out for three days.

The command of the HVO's 3d operational zone announced this afternoon that Muslim forces have continued to attack Novi Travnik and surrounding villages. One person was killed today in Novi Travnik in a Muslim artillery attack. [passage omitted]

'Survival' of Herceg-Bosna Croats Threatened

LD1506224293 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 15 Jun 93

[Text] The Croatian Defense Council [HVO] of the Croatian community of Herceg-Bosna at its session today discussed the military and security situation in the area of the Croatian community of Herceg-Bosna. The session was chaired by Jadranko Prlic and attended by Pero Markovoc, governor designate of Mostar Province.

According to the HVO Defense Department's statement, in central Bosnia and northern Herzegovina, the areas where the Vance-Owen plan envisages Croatian authorities' majority share, provinces 8 and 10, Muslim forces continue to launch coordinated attacks, increasing the level of violence and the destruction of all things Croatian. In the wider area of Travnik, the municipalities of Kiseljak, Vitez, Vares, Konjic, and Jablanica, as well as in those areas where the Croats are heavily outnumbered, for example in Sarajevo, Zenica, and Tuzla, the

survival of every citizen of Croatian nationality and the entire Croatian people is under serious threat.

The political and military bodies of the Croatian people in Bosnia-Herzegovina are doing everything to protect their people. The HVO Defense Department and general staff are carrying out effective military operations to defend and protect the areas under attack. In the course of carrying out this honorable duty, the defenders demonstrate exceptional patriotism and great military virtues, the HVO Defense Department says in its statement.

Krajisnik on Coordinating Body, Negotiations

AU1506160893 Belgrade POLITIKA EKSPRESS in Serbo-Croatian 15 Jun 93 p 2

[Unattributed report: "Peace as Quickly as Possible"]

[Text] Sarajevo, 15 June—The coordinating body, to whose formation we have consented at the insistence of Lord Owen, will not have the nature of an authority, but will be a body that will coordinate further negotiations among the three ethnic communities in former Bosnia-Herzegovina, Momcilo Krajisnik, president of the peoples' assembly of the Serbian republic, stated for SRNA yesterday.

Krajisnik emphasized that the decision to form a coordinating body cannot be strictly associated with the Vance-Owen plan, as the Serbian side has not accepted the plan.

"We embraced the peace process and agreed to form a body that would coordinate activities for the restoration of peace and the separation of the three ethnic communities," Krajisnik said, adding that the Serbian republic had agreed to negotiate "generally about the problems between the three ethnic communities, but under no circumstances about the Vance-Owen plan or a coordinating body that would eventually replace the Presidency and the government."

Commenting on the position of the Croatian side, which had agreed to participate in the work of the coordinating body on the condition that the president and the vice president of the Serbian republic, Radovan Karadzic and Nikola Koljevic, are included in it, Krajisnik said that this was a strategic move by the Croatian side, "which is not willing to continue with the realization of the Vance-Owen plan."

"This is only one of the maneuvers by the Croatian side, which would also agree to the formation of a coordinating body whose task would be to establish contacts between the three ethnic communities to continue the peace process," the president of the assembly of the Serbian republic said. "There is no great difference between the interests of the Croats and the Serbs in former Bosnia-Herzegovina, as both want to draw a line against the Muslims."

Assessing the scheduled talks between of Serbian and Croatian Presidents Slobodan Milosevic and Franjo Tudjman and the Muslim leader Alija Izetbegovic, Krajisnik said that "any talks are welcome at a moment in which the Bosnia-Herzegovina conflict is escalating," as "we need to establish contacts to revive the peace process."

When asked why presidents of the Serbian republic and Herceg-Bosna were not invited to this meeting, Krajisnik answered: "I believe that this was Izetbegovic's maneuver, with which he wanted to promote his state and appear as the representative of a state, and not of the Muslim ethnic community. We have reacted to this and made it plain that we would not agree to anyone negotiating in our name.

HVO: Each Side To Determine Coordinating Body Members

LD1506153393 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 15 Jun 93

[Text] The information department of the Croatian Defense Council [HVO] of the Croatian Community of Herceg-Bosna issued a statement today saying that Radio Bosnia-Herzegovina continues spreading false information and slander. Namely, Sarajevo radio claims that Mate Boban insists that Radovan Karadzic, Momcilo Krajisnik, and Nikola Koljevic should be appointed to the coordinating body, making Boban's participation and the participation of other Croat representatives in the [work of the] body conditional on a decision of the Bosnia-Herzegovina presidency approving this. Radio Bosnia-Herzegovina further claims that at the meeting in Geneva the Bosnia-Herzegovina presidency rejected this, and that it [the presidency] passes the blame for the non-implementation of the Vance-Owen plan to the Croat side and Boban personally.

However, the statement adds, the truth is of course completely different from what Muslim sources say. The leadership of the Croatian Community of Herceg-Bosna, the Croatian Democratic Union of Bosnia-Herzegovina, and Boban persevere in the principled stand that each constituent nation in Bosnia-Herzegovina has the right to appoint their own representatives freely. This means that Croats, and Boban personally, neither can nor want to determine the people who will represent the Serb or Muslim sides. Following the same logic, no one has the right to [determine] Croat representatives, except the Croat nation.

Izetbegovic Opposes 'New' London Conference

LD1506195693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1840 GMT 15 Jun 93

[Text] Vienna, 15 June (TANJUG)—The leader of the Bosnian Muslims, Alija Izetbegovic, said in Vienna this evening that he was opposed to the idea of a new London conference on Yugoslavia, which was floated yesterday by UN Secretary General Butrus-Ghali.

Izetbegovic, who arrived in Vienna this afternoon without announcement, told a news conference held in the UN center that he had enough of "negotiating theater." "Only the lifting of the UN arms embargo can help the Bosniak (Muslim) nation," the Bosnian Muslim leader said.

He expressed concern over the fact that the international community had tied the Muslims' hands because, as he put it, "It is neither saving us from the outside nor is it allowing us to use our right to self-defense."

Izetbegovic came with the intention of addressing a plenary debate at the UN Conference on Human Rights, but his foreign minister, Haris Silajdzic, forbid him from doing this following a sharp verbal exchange.

Rejects Further Negotiations

AU1506194393 Vienna ORF Television Network in German 1730 GMT 15 Jun 93

[Text] Bosnian President Alija Izetbegovic came to Vienna unexpectedly today. He called upon the West and in particular the United Nations to lift the arms embargo on Bosnia. In Bosnia, the warring parties have once again agreed on a cease-fire to take effect on 15 June.

Izetbegovic definitely rejects the opinion that the lifting of the arms embargo against the Muslims would lead to an escalation of fighting. On the contrary, he says, can the situation be even worse than today? This disparity, this Serbian superiority in arms has led to an escalation of the terrible war. If a balance is created in this respect, the Serbs will agree to the Vance-Owen plan. But as the situation is, they believe they can win, says Izetbegovic. Peace can only be created if the arms embargo is lifted.

He rejects another round of negotiations in London, as was suggested recently. We will not take part in any further negotiating histrionics, he says. He describes the appeal of the Human Rights Conference for Gorazde as a necessary step. However, resolutions alone are not enough, as the specific example of Bosnia-Herzegovina has shown—200,000 deaths, millions of refugees, and thousands of destroyed villages.

Boban Denies Izetbegovic Right To Represent Bosnia

LD1206142393 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 12 Jun 93

[Text] The office of Mate Boban, president of the Croatian community of Herceg-Bosna, today sent protest notes to the governments and foreign ministries of France, Austria, Turkey, the German Federal Republic, and Great Britain. The note protests the fact that [Bosnian President Alija] Izetbegovic was invited to visit these countries in the capacity of president of the Bosnia-Herzegovina presidency.

The protest note denies that Alija Izetbegovic has the right to represent the Republic of Bosnia-Herzegovina, because, it says, he ordered the most serious crime against Croats in Bosnia-Herzegovina to be carried out.

Hence, the note demands that Izetbegovic be treated as a representative only of Muslims and Muslim interests in talks with officials of countries he is visiting, because conclusions to be reached with him will not be binding on the Croatian people in Bosnia-Herzegovina, the office of the president of the Croatian Community of Herceg-Bosna says.

Serb Leader: Izetbegovic Seeking To Continue War

LD1506204293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1727 GMT 15 Jun 93

[Text] Pale, 15 Jun (TANJUG)—Nikola Koljevic, vice president of the Serb republic of Bosnia-Herzegovina, told Serb Radio in Pale today that tomorrow's meeting in Geneva "is one of the significant desperate attempts to make the Owen and Stoltenberg peace process acceptable."

Koljevic stressed that it is obvious that Bosnian Muslim Leader Alija Izetbegovic is seeking to lift the arms embargo, i.e. to continue the war.

If Izetbegovic gives up the military option, this will be a sufficient result of this meeting, something that will be a precondition for some further—as Lord Owen says—global solutions, Koljevic said.

Commenting on the arrival of the presidents of the Serb and Croat people in Geneva, Koljevic stressed that as a result, Izetbegovic's attempt to stand on this occasion as the legitimate president of Bosnia-Herzegovina has been foiled.

"It is not only the Serb side but the Croat too that has denied him the right to speak on their behalf. At last he has to assume his authentic role of representative of the Muslim people," Koljevic said.

Regarding the possibility of convening a new London conference announced by Butrus-Ghali—this initiative has also been supported by Warren Christopher—Koljevic said that a new conference could be significant and contribute to resolving the crisis only if it provides a new approach and a new concept.

Otherwise, if this conference steps up international pressure for the already unacceptable imposed solutions, then no significant results can be expected.

Facilitating direct talks and negotiations whereby representatives of the three sides would resolve their future should be the principal purpose of this new international conference, Koljevic said.

Serbs 'Ready To Negotiate'

LD1506182793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1728 GMT 15 Jun 93

[Text] Belgrade, 15 June (TANJUG)—At 1700, Serb republic President Radovan Karadzic and Momcilo Krajisnik, chairman of the People's Assembly of the Serb republic, left Belgrade for Geneva where they will attend the resumed peace negotiations, SRNA has reported.

"Serbs are ready to negotiate with the devil if this would bring about peace," President Karadzic told SRNA prior to his departure.

Commenting on statements made by Muslim representatives that they did not wish to sit with representatives of the Serb republic at the same table, Karadzic said "the times are gone when others were deciding who would represent the Serbs."

Krajisnik said that representatives of the Serb republic would try to have talks in Geneva "about all controversial issues, especially about the maps and, possibly, about the formation of a coordination body."

HVO, Bosnian Serbs Exchange Prisoners

LD1506225193 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 15 Jun 93

[Text] The Croat Defense Council [HVO] for the Bosnian Sava River basin and the first Krajina corps of the [Bosnian] Serb army exchanged captured civilians and soldiers near Nova Gradiska this afternoon. The exchange was mediated by the Nova Gradiska Red Cross.

At the site of the exchange in the village of Dragalic, the First Krajina corps brought in 216 Croats and Muslims, including 194 civilians from Derventa, Bosanski Samac, and Doboj. The rest were HVO members, who were held in the Serb prison camp of Batkovici.

They are all in poor health, but HVO members are in a particularly bad state. They had visible torture wounds when they were brought to the exchange site.

Out of all the civilians, 44 will either remain in Croatia or go to Western Europe, while the rest will go to Bosanski Samac.

The HVO for the Bosnian Sava River basin handed 20 Serb soldiers captured in battles in Bosnia to the First Krajina corps.

Report Views Pale, Banja Luka Rivalry

AU1506143893 Belgrade NIN in Serbo-Croatian 11 Jun 93 p 25

[Branislav Bozic report: "Battle for Banja Luka"]

[Text] Two years ago, the local prophets and cafe strategists were the first to be saying and swearing that they had heard the story from "an important man," then the politicians and those with the aspirations to be ones started to talk about it "confidentially," and now nearly all of the town is talking about it. The story goes as follows: The historians have established that Banja Luka was mentioned for the first time under its present name in 1494. It will, therefore, celebrate five centuries of its existence next year and, according to this story, it is supposed to become the capital of the West Serbian state on that occasion.

All this is based on the premise that there is nothing left of Bosnia-Herzegovina as a state. In the worst (or, if you prefer, the best) case, the country could perhaps turn into a confederation of three ethnic communities, it is believed here, which again implies a Serbian state.

Only two things could prevent and hinder Banja Luka from becoming the capital when it marks its fifth century. The first is that this has happened this year already, and the other is Dr. Radovan Karadzic [president of the Serbian republic] or "the Herzegovina-Sarajevo lobby," to be precise, which holds all the key posts and levers within the Serbian republic.

These would have been only the local antics of the Bosnian Serbs, had not Belgrade, that is to say the Serbian parties, got craftily involved into this story. They have actually judged well that, while the Bosnian Serbs are quarreling about the capital, the power is lying there for grabs and one merely has to reach for it.

Although nobody here is questioning "his excellent behavior in foreign affairs missions" at the internal level, Karadzic is viewed more like the emperor in the fairy tale about the emperor and his new clothes. Namely, by persistently staying in the health resort in Pale, the leader of the Bosnian Serbs seems not to notice that the preparations for the next elections have already started, and that the elections are won where the majority of the population is over 18.

The leadership of the Bosnian Serbs and Banja Luka residents have been quarreling for a long time about where to create the capital of the Bosnian Serbs. Probably because of the war, nobody pushed the matter to the limits. Karadzic always used the same arguments: "The Serbs cannot be divided into duchies." He would then explain that Pale is not at 900 meters altitude, to correct the wrong impression, but never quite explained why he would not move to Banja Luka.

Initially, it was rumored in Banja Luka and, recently, it has been said aloud that the Herzegovina-Sarajevo lobby lead by Momcilo Krajisnik, who had invented the travelling Serbian parliament (Trebinje, Bjeljina, Pale, Prijedor....), would not allow this.

However, nearly two thirds of the population of the Serbian republic and approximately 70 percent of the industrial potential are situated in Bosnian Krajina, that is to say, in the Banja Luka region. More than 80 percent of the budget of this Serbian state is secured by this region.

It was Dr. Vojislav Seselj [leader of the Serbian Radical Party] who noticed this first and, last winter, opened a branch of his party in the Serbian republic in Banja Luka. On that occasion, he uttered two sentences that resulted in members of the Serbian Democratic Party [SDS] "crossing over" to the Radical Party. The SDS and the Radicals are keeping this as "a party secret." On that occasion he unveiled:

— We are a party that is active in all Serbian lands. We have come here because Banja Luka will be the capital of the West Serbian state.

We did not have to wait long for the Socialist Party to come to Banja Luka. They also, just like the Radicals, will have their committees in all communes of the Serbian republic, they say, but the party headquarters is in the town on the Vrbas River.

— By determining our party's headquarters, we made it clear where the capital of the West Serbian state should be—says a prominent Banja Luka doctor Dr. Dragutin Ilic, chief of the Socialist Party of the Serbian republic. He also emphasizes that the Socialists are the cohesive factor in all territories inhabited by the Serbs, emphasizing that they will follow the traditions of Pelagic [19th century Serb socialist theoretician], Kocic [writer]... and that this will be an economically run party.

And then ensued "the crossover" of the SDS members to "Slobo's party." They have a considerable number of prominent businessmen and university professors, whose names, as they said at the constitutional assembly, "they will not reveal yet"—until the first elections.

The Banja Luka region is also increasingly more frequently visited by Prince Tomislav, called here "Prince Tomo of Bosnia," who only smiles at this and says:

—I was abroad for 50 years, but I never took the citizenship of any other state as I always believed that I would return home. Today, I am the only male Karadjordjevic who was born in the motherland and I have never forgotten its smell. I am happy, as for a year I have been living with my nation.... The church, the crown, and the nation are our future.

What does the prince want and what are his hopes? It is probably clear. For the time being, wearing a camouflage uniform on the first lines of the front, he performs, mostly well, the duty of a commissar, "as the morale of the fighters grows whenever he appears."

However, even serious people who, until yesterday, got a rash at the mere notion of a monarchy, now believe that a duchy would be a solution for the Western Serbs, facilitating speedier international recognition.

Dr. Karadzic is slowly losing where he was the strongest—in the Banja Luka region. Seselj and Milosevic have obviously realized that the one who wins the Banja Luka region will have the power, and are slowly gathering sympathizers.

The local SDS does not have the power to resist, especially because it has lost its reputation due to the very foolish cadre policy it pursues.

If Karadzic loses "the battle for Banja Luka," and the SDS is slowly transformed into something resembling the former Socialist Alliance, he himself could suffer the fate of Churchill. He will win the war and lose the elections.

Serbian Food Production Sufficient

93BA1101A Banja Luka GLAS SRPSKI in Serbo-Croatian 20 May 93 p 7

[Article by B. Dubocanin: "There Will Be No Hunger"]

[Text] *What are the expectations from this year's harvest of grains and other agricultural crops in the Serbian republic? The present inventories of wheat in silos are enough until the next harvest; farmers expect that this year's yields from all crops will be enough to feed the people even in the event of a "border" on the Drina.*

Banja Luka, 19 May—If the Serbian republic planted all the arable land, with all the agrotechnical measures, we would certainly produce more food than we need.

This assessment was heard at yesterday's meeting of the Serbian republic government in Derventa. Because of the war and certain objective problems, however, although enough plots were planted, it is already known now that we will be short 90,000 metric tons of wheat, and considerable amounts of edible oil and sugar. According to assessments by experts, however, farmers in the Serbian republic will have a market surplus of potatoes, beans, and several other products.

In the foreseeable future, when this war is over, the Serbian republic has everything needed to overcome the deficit in food production very quickly. The facts show that the Serbian republic has 753,000 hectares of arable land. Much of the arable land has remained unplanted for years, however. The facts show that every year up to 500,000 hectares were planted on these territories. Because of the war and the lack of money, this year farmers in our republic only planted somewhat more than 350,000 hectares. In spite of that, experts expect that from those plots we will obtain 187,200 tons of wheat, almost 7,000 tons of rye, 28,500 tons of barley, about 42,000 tons of oats, 10,000 tons of soybeans, 75,500 tons of sugar beets, 8,000 tons of beans, 3,200 tons of tobacco, and 2,600 tons of oil beets.

As usual, this year as well the experts expect the barns on farms to hold mostly corn, as much as 387,000 tons, and more than 153,000 tons of potatoes.

The experts say that the yields would be much higher if the necessary amounts of mineral fertilizers and pesticides had been obtained. Because of the lack of money and the difficulties in procurement, this year farmers in the Serbian republic only received half of the necessary

amounts of these materials. Consequently, according to all the predictions, the yields will be at least 20 percent lower than the average over several years.

"How much of these products the market will get will certainly depend on the timely determination of the support and purchase prices for these crops. We at the Ministry have planned to publish the support prices for wheat by 10 June. Until then we will not even know the necessary amount of fuel that will have to be provided for this year's harvest. It will be necessary to provide the money needed for that, as well as for importing the at least 90,000 tons of wheat that we will be short this year, according to all the estimates," said Borivoje Sendic, minister of agriculture, water economy, and forestry in the Serbian republic government.

The encouraging fact that there will not be any hunger, even though our enemies already launched that idea a long time ago, was also heard at yesterday's government meeting. The present inventories of wheat are quite sufficient to last until the upcoming harvest, and as it was said, the republic also has satisfactory inventories of meat in the form of livestock.

Economic Cooperation With FRY Continues

93BA1101B Banja Luka GLAS SRPSKI in Serbo-Croatian 20 May 93 p 7

[Article by N.I.: "Sana With Yugoslav Textile Producers"]

[Text] *The Serbian republic's cooperation with the FRY; "We agreed on business cooperation with Ateks, Teteks, and several commercial firms," said Zdravko Radmanovic, general director of the Sana-Holding Knitted Goods and Clothing Factory in Novi Grad.*

Novi Grad, 19 May—In spite of the closeness of the front and the increasingly more difficult business conditions, the Sana Knitted Goods and Clothing Factory in Novi Grad has done business successfully during the past five months. Thus, at a meeting recently held between the Belgrade Chamber of Commerce and the Banja Luka region's chamber, one more step forward was taken. Sana-Holding's representatives agreed on business cooperation with Yugoslav textile producers and commercial firms in Serbia.

"We agreed on business cooperation with Ateks, Teteks, and several commercial firms.... We are satisfied, because it was a step forward. In these difficult times, Sana-Holding's greatest quality is that we are maintaining production, and since we have production, that means that we also have goods," said Zdravko Radmanovic, Sana-Holding's general director. He added, "Recently I have been a little concerned about the stories about a Drina 'border,' but I am an optimist, and I think that the Drina cannot, in any case, be a barrier between the FRY and the Serbian republic. That would be fatal to the entire industry of the Serbian republic, and thus to our enterprise as well."

Since the war moved along the Una and the Sana, the Sana-Holding Knitted Goods and Clothing Factory has succeeded in maintaining production and marketing goods. It has succeeded in coping with all the problems. It has enough inventory and intermediate products for the May-June period that the 700-800 workers who are currently operating are successfully maintaining production and marketing goods in the Yugoslav market and in the Serbian republic area.

"Even if the passage on the Drina were closed, we have already begun to work out options for finding a way to market our products, and I think that we have arrived at certain solutions," Mr. Radmanovic said.

Federal

Milosevic, Bulatovic, Karadzic Arrive in Geneva

AU1506191993 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 15 Jun 93

[Text] Esteemed viewers, we have just received a report that Serbian President Slobodan Milosevic has arrived in Geneva. Our special correspondent Zoran Jevdjovic reports from Geneva:

[Jevdjovic] The delegation of the Federal Republic of Yugoslavia arrived at the Geneva airport about 15 minutes ago. The delegation consists of Serbian President Slobodan Milosevic and Montenegrin President Momir Bulatovic. Radovan Karadzic, president of the Serbian republic [of Bosnia-Herzegovina], also arrived with them.

On his arrival, Serbian President Slobodan Milosevic briefly stated especially for Belgrade Television and TANJUG that by arriving for negotiations in Geneva the Yugoslav delegation is confirming the firm commitment to peace of the Serbian people as a whole. I hope, Milosevic said, that we will hold useful talks and that we can look at anyone's eyes, because we are not asking for our country and our people anything that the other people do not already have. In brief, Milosevic concluded, I expect the talks in Geneva to be successful.

Radovan Karadzic, president of the Serbian republic, also briefly addressed the journalists. He said, among other things, that he is pleased that the peace process has not been interrupted and that he is looking forward to the direct meeting between the representatives of the warring sides, because a just and lasting peace cannot be achieved without such meetings. We should discuss three topics during the meetings here: the first is the stopping of the war, the second is the delineation, and the third is the attempt to determine the nature of cooperation between the three new entities in Bosnia-Herzegovina, between three new states. If the international community does not accept a realistic approach in the negotiations, we will again waste time. However, we hope that this will not happen.

In brief, these were the statements at the Geneva airport. The representatives....[sudden end of report]

Assembly Adopts Foreign Policy Principles

LD1506214593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1836 GMT 15 Jun 93

[Text] Belgrade, 15 Jun (TANJUG)—Following several more hours of a debate which began on 1 June, the Federal Assembly today adopted conclusions on foreign policy and the international position of the Federal Republic of Yugoslavia [FRY]. Over 60 deputies took part in today's debate. We present the conclusion in their entirety:

The Federal Assembly has discussed topical issues in foreign policies and the international position of the FRY. It has concluded that the debate has been very thorough and useful and confirmed that it is necessary for the federal government to inform the Federal Assembly about its foreign policy activities more frequently.

The Federal Assembly endorses the FRY's consistent policy of peace and advocates a continuation of talks and the peace process in resolving problems in the area of the former Yugoslavia. On this occasion, it also stresses its unambiguous commitment to a policy of cooperation and openness. The FRY wants to be a factor of peace and stability in the area of the former Yugoslavia, Balkans, and Europe. Hence the pressing need for its quick return and reintegration into the international community.

The Federal Assembly expects the international community to contribute to a just and lasting solution to the Yugoslav crisis by continuing the peace process and talks rather than by pressures.

Seeking a just and lasting solution implies that the vital interest of all peoples in the area of the former Yugoslavia should be taken into account as well as the fact that these interests need to be exercised by political means only.

The Federal Assembly is worried in pointing out the seriousness and gravity of the consequences that the UN Security Council's sanctions against the FRY have brought about in the economic and social sphere in the country. The Federal Assembly states that it is the population who have been hit hardest by the unjust sanctions. The sanctions threaten to put at stake the survival of Yugoslavia's citizens.

The Federal Assembly reiterates its belief that the sanctions against the FRY are based on wrong, one-sided, and false premises and reports that the FRY is the aggressor in Bosnia-Herzegovina. Facts testify that Yugoslavia is not a participant in the war in ex-Bosnia-Herzegovina and that it is doing its best to put an end to the war. The whole absurdity of the sanctions imposed and the wrongness of the decisions taken regarding Yugoslavia by the international community over the past year is also underscored by the very fact that the implementation of sanctions has not achieved their initial goal; there has been no calming down, nor has the war in the area of ex-Bosnia-Herzegovina come to an end. The Federal Assembly and all the FRY's organs should resolutely continue to explain to the international community that sanctions against the FRY are no way to put an end to the war in ex-Bosnia-Herzegovina, that they are unjustified, unjust, and inhuman toward the FRY's citizens, and that they must consequently be lifted.

Bearing in mind the need for the FRY to step up its activities in the international sphere, the Federal Assembly stresses that wide- ranging diplomatic, political, and information activities should be targeted at the most important factors of the international community, at governmental and non-governmental organizations in order to present in an adequate way the FRY's interests

and aims and to affirm the FRY's policy regarding the crisis in the area of the former Yugoslavia.

In order to meet such demands it is necessary to coordinate state organs in conducting their foreign policies and intensify the efforts of the Federal Assembly's parliamentary delegations to establish contacts with the parliaments of other countries and relevant factors in the international community.

The Federal Assembly draws attention to the dramatic situation and historic responsibility as it maintains that the point has been reached when it is necessary to unite all forces within the country, regardless of their political orientation, in order to protect and carry out vital state and national interests.

'Agitated Debate'

AU1506210493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 15 Jun 93

[Dragana Vasiljevic report from the Federal Assembly—recorded]

[Text] In the debate, the majority of deputies from mainly leading Serbian and Montenegrin parties supported the report given by Foreign Minister Vladislav Jovanovic. They pledged themselves to as aggressive action possible on the international level to draw the world's attention to the mistakes made about our country.

Goran Percevic from the Socialist Party of Serbia stressed that our foreign policy, regardless of the current sanctions, can be positively assessed because it was in the national interest and it started with the entire interests of the Serbian people in mind. It was brave, and it did not buckle before threats and blackmail.

However, opposition deputies, both Serbian and Montengrin, were much sharper in their assessments. It was heard that our internal situation was not exclusively the result of international relations. Rade Bojovic from the Socialist Party of Montenegro said that our present political position was the result of a mistaken, catastrophic policy, which has led us to this situation. Bojovic also said that if the centers of political power did not solve this situation in a quicker and more constructive manner, Montenegro would find itself in a situation in which it does not want to be, that is, that it would have to save its people from a civilizational abyss by means of its own policy.

If this is to be the only solution, what remains is that we call upon citizens of Serbia to take refuge with us in Montenegro, said Bojovic. This attitude gave rise to an agitated debate. First, Dragan Djurovic from the Montenegrin Democratic Party of Socialists answered Bojovic by saying that the majority of people in Montenegro had opted for a joint existence in a federation with Serbia on equal terms. I do not believe that the lifting of sanctions would cause the people to want to live separately, he said. Svetozar Marovic, also from the Montenegrin Democratic Party of Socialists stressed that Montenegro was tired of all those who want to divide and separate it. No party will decide on its fate. Its people and its wisdom will. Montenegro freely opted for a mutual state and it feels free within the Federal Republic of Yugoslavia.

In the course of the debate, it was requested that the attitudes of Serbia and Montengro be coordinated regarding the observers' missions. Certain deputies pointed out the negative attitude of our diplomacy towards Russia. Slobodan Rakitic asked Minister Jovanovic to answer what had been Dobrica Cosic's role in conducting our foreign policy. Taking the floor a little later and assessing the deputies' debate, Federal Minister Jovanovic said that in his view, there was no difference in the lasting commitments of our foreign policy, which are peace and the lifting of the sanctions. Commitment to the continuity of Yugoslavia is a strategic issue of our foreign policy, he stressed.

[Begin Jovanovic recording] Our way, the way of defending our country and the loyalty to our country is the only way that should be followed by any political party or coalition that could find itself at the head of the Federal Republic of Yugoslavia at any given moment. We also have reason to believe that even the international community has lately been carrying out a hurried revision of its attitudes, attitudes of selection, unilateral attitudes, and unobjective attitudes in its approaches to solving the Yugoslav crisis. The efforts I am speaking of, those for a global solution, are in great part the consequence of precisely this kind of review, which is being carried out by those who wanted to take our state away and force us to queue in front of somebody's counter to be presented with a new state in the form of someone's gift. [end Jovanovic recording]

In answer to the question about Dobrica Cosic's role, Minister Jovanovic said:

[Begin Jovanovic recording] Mr. Cosic himself said that he had violated the Constitution. As far as we can remember, he never had the intention of strictly adhering to his constitutional authority. From the very start, he embarked on activities that very often exceeded this framework to a great extent. He probably had valid patriotic and other reasons for doing so, but the fact remains that this activity was, and not only that of President Cosic but also that of his close associates, outside the authority envisaged by the Constitution for the president of the republic. [end Jovanovic recording]

Minister Jovanovic discarded as inaccurate the opinion that our policy in relation to Russia was improper and that we were expecting a coup. The sanctions, said he, obstructed many diplomatic contacts, so that we were unable to realize contacts in the way in which we wished. All those who wanted to acquaint themselves with our situation were welcome, he said.

Today, just like during former sessions, certain deputies made use of the assembly floor to promote their own and their political parties' attitudes. There was underrating and insulting. At the very start of the session, a verbal conflict erupted between Vojislav Seselj and Dragoljub Micunovic, which was not in the context of today's debate. In the afternoon, sparks flew between Desimir Tosic and Vojislav Seselj. Namely, Tosic established that various paramilitary formations were going from the FRY to Bosnia, Vojvodina, and Kosovo. Seselj reacted violently to this, denying this, and calling Tosic devious, a liar, and a foreign agent.

The president of the Chamber of Citizens, Radoman Bozovic, had his hands full today. He intervened on several occasions to return the debate to the topic on the agenda. He appealed to the deputies to show mutual respect, but judging by the course of the debate, he did not have much success.

Views of Deputies

AU1506150493 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 15 Jun 93

[Jelena Radovanov report from the Federal Assembly]

[Text] During a three-and-a-half-hour discussion in the two chambers of the Federal Parliament, deputies spent most of their time exchanging views on topics that have nothing to do with the agenda. The discussion was supposed to be about the international position of Yugoslavia. Therefore, we will single out only the deputies who spoke on topics on the agenda.

Goran Percevic said that the most important foreign policy objective is the lifting of the sanctions and the protection of the rights of Serbs living outside Serbia. He warned that it was time to start creating a new Yugoslav diplomatic service that would be rejuvenated and professional. He proposed a program that could facilitate greater cooperation between our parliament and those of other countries.

Slobodan Raketic held the view that the signing of the Vance-Owen plan is no condition for the lifting of the sanctions. The complete cessation of the war is, Raketic said. He criticized the foreign policy of the Federal Republic of Yugoslavia, stressing that the country has been putting aside some problems for too long, and that it was too [word indistinct]. It is obvious, Raketic said, that the FRY's continuity will not be recognized. Therefore, this aim should be abandoned so that time is not wasted.

Deputy Zekovic said that our diplomatic service must be more aggressive and more qualified. Deputy Todorovic offered the following solution to the lifting of the sanctions: Observers of [the border between] the Federal Republic of Yugoslavia and Bosnia-Herzegovina should be deployed on both sides provided that the sanctions are first lifted.

[Foreign] Minister Jovanovic referred to numerous criticisms expressed today and on 1 June, when this session started. He concluded that many criticisms are inspiring, but that some must be rejected altogether. He said that the (?criticism) of the policy of the Federal Republic of Yugoslavia toward Russia is completely incorrect. According to the Vance-Owen plan, observers were never planned to be placed on the FRY side [of the border], and therefore there is no need to offer something that we were not asked to do, Jovanovic said.

Regarding the ideas that, considering that we have been suspended from the CSCE and the United Nations, we should ignore their observers and representatives, President Jovanovic [title as heard] said that it is always easier to break off political relations than to re-establish them. Commenting on the criticism that our foreign policy is inadequately dealing with the foreign policies of Germany, Turkey, and Romania, Minister Jovanovic said that we are ready to improve our relations with Germany, and above all with the German people, and that we are even prepared to overlook many things that Germany has unjustly done to us. As regards Turkey, Minister Jovanovic said that we do not have a problem with Turkey, but that Turkey has a problem with us, because it intends to break up the FRY. The continuity of Yugoslavia, Jovanovic stressed, is the key strategic objective that we will not give up.

Commenting on the changes in the international approach toward the Yugoslav crisis, Minister Jovanovic said the following:

[Begin Jovanovic recording] I am convinced that in a week or two we will be in a situation in which no one will be talking any longer about the idea of observers, because it is expected that the efforts to find a global solution to the Bosnian and the Yugoslav crisis could go much further and relativize this issue altogether.

One cannot assess as [word indistinct] or nonexistent something that has been recognized and acknowledged by the world community as an invaluable contribution to the strengthening of the negotiating process and the first results of this process. This process, which has been going since January, could not have been possible at all without these big, constructive efforts by the FRY. Everyone knows this, and since at about that time, people started to see our country not as the side that is an alleged opponent to peace and a political solution to the crisis in Bosnia and Yugoslavia, but as a partner country with which one should cooperate closely to achieve the same results, that is, the end of the war, peace, and an all-round political solution. [end recording]

Both assembly chambers will continue work after the break, at about 1530 [1330 GMT].

Prime Minister Kontic Outlines Economic Policy

AU1606120393 Belgrade Radio Beograd Network in Serbo-Croatian 1100 GMT 16 Jun 93

[Vladimir Nikolic report from the joint session of both chambers of the FRY Assembly; in Belgrade on 16 June—live]

[Text] An expose on the economic and social situation in the country and the program of the Federal Government by, as has already been reported, [FRY] Prime Minister Radoje Kontic is just underway.

Kontic emphasized that Resolution No. 820 hermetically sealed off the FRY territory and blocked the economy and, therefore, economic problems are escalating. The choice of goods is becoming skimpy while the monopolies on certain goods are growing bigger. In combination with some other factors, this brought about the present situation.

Premier Kontic said that the international community being incapable of finding a political solution for the crisis in former Bosnia-Herzegovina has postponed the abolishment of sanctions and deepened the problems in the economic and social spheres. For this reason we must rely on our own capacities and resources. Since there was also some mention of reviving the market economy, Premier Kontic said that the institutions of market economy are indeed needed but that they cannot be built overnight. Other than the soonest possible lifting of the sanctions, Premier Kontic sees the solution in small and medium-size companies.

In such circumstances, only measures of economic policy are left to us. Our goals must be modest. We will feel the consequences of the blockade many years after the abolition of the sanctions.

Premier Kontic also spoke of getting rich over night, which the state does not even manage to register. The macroeconomic policy was conducted at three levels despite the coordination between the federal state and the republics.

Speaking of the banking system, Kontic, among other things, said that numerous para-banking institutions have mushroomed and that the foreign currency policy is conducted on the street where the foreign currency is. Premier Kontic proposed that, in the future, the macroeconomic policy be established in one place, with the full cooperation of the republics in its creation and realization. According to Kontic, it is also necessary to pass numerous laws that are prerequisite for the functioning of the federal state, and to adjust the republican laws with the federal. Premier Kontic also announced a rationalization of the state administration.

Kontic is currently speaking of the main elements of the future economic policy of the federal state. This will be all from the FRY Assembly for the time being.

Draft Budget Submitted

LD1506200593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1916 GMT 15 Jun 93

[Excerpt] Belgrade, 15 June (TANJUG)—The federal government has submitted a draft budget for this year at this evening's session chaired by Prime Minister Radoje Kontic. The draft budget will be sent to the Federal Assembly in an emergency procedure, the Federal Ministry for Information has revealed.

The draft envisages that the 1993 budget will be to the tune of 1,327,756,000,000,000 dinars and that 75.5 percent of the budgetary funds is earmarked for the Yugoslav Army. [passage omitted]

June Inflation Will Exceed 400 Percent

LD1506135693 Belgrade TANJUG in English 1328 GMT 15 Jun 93

[Text] Belgrade, June 15 (TANJUG)—The June inflation in the Federal Republic of Yugoslavia is expected to exceed 400 percent, the director of the Statistics Bureau of Serbia, Milovan Zivkovic, said in an interview published in Tuesday's edition of the Belgrade daily POLITIKA.

Zivkovic based his forcast on data processed so far and added that the official data on the price rise, collected from May 21-June 21, will be announced next week.

On Monday, June 14, alone, the Statistics Bureau of Serbia registered as many as 5,000 price increases.

Prices are rising at a similar rate in the Yugoslav Republic of Montenegro.

Zivkovic forcast a so far unregistered price hike in this country for June.

The Yugoslav inflation has reached world record heights for the past 50 years.

So far this year, the highest rise in prices was registered in March (225 percent).

The federal government is on Wednesday expect to announce in parliament a new package of macroeconomic measures, aimed at reducing inflation to a tolerable level.

However, according to experts, serious steps will not be possible until the lifting of the sanctions, imposed on May 30, 1992, and tightened on April 26, 1993.

Montenegro

Rally Held Against Milosevic's 'Dictatorship'

AU1606044593 Podgorica POBJEDA in Serbo-Croatian 9 Jun 93 p 4

[M. Pavicevic and S. Djukanovic article: "Fascism Must Be Stopped"]

[Excerpts] Cetinje, 8 June— Under the banner "Democratic Montenegro for Democratic Serbia," a rally was held in Cetinje yesterday, organized by the Liberal Association of Montenegro [LSCG]. Representatives of the Social-Democratic Party of Reformists, the Socialist Party of Montenegro [SPCG], the Civil Resistance Movement "The Public Against Fascism," and the Social- Democratic League of Vojvodina [SDLV] took part as well. [passage omitted]

"While reason among the leading political parties in Montenegro still prevails, in Serbia we are witnessing the dictatorship of a single man," Rade Bojovic, vice-chairman of the SPCG, said. "We hope that Montenegro and Serbia will come to their senses, proclaim the state sovereign, that the Montenegrin and the Serbian flags will flutter in front of the United Nations, and that we shall establish the most open border in the world," he said. [passage omitted]

Vociferously greeted by others, Nenad Canak, chairman of the SDLV, in a short speech discussed the events in front of the Federal Assembly, finally crying: "All of you, the people of Petar Cetinjski [former king of Montenegro], do not forget what you were when those who are now trying to be somebodies, were nobodies." [passage omitted]

Vice Chairman of the LSCG Miodrag Vukmanovic assessed the events in Belgrade as dishonorable, and added that "after the Sicilian-style removal of Cosic, who had not even made us indebted to him, we have been shown what we might expect from the future." [passage omitted]

Thereafter, to vociferous cheering and applause, Slavko Perovic, leader of the Liberals, addressed the audience.

Parliamentarism Can Be Overthrown Only by Dictatorship

"We have met here to oppose the introduction of the personal dictatorship of Slobodan Milosevic, being the real governor of our destinies, lives, and deaths, our welfare and mischances, failures and successes. Through his hirelings, who have turned Montenegro into a quasi-state, Milosevic's tyranny may also spill over into Montenegro, and thereby destroy our chances for a comeback into the democratic and civilized world. We must oppose such a tendency by civil resistance and by constantly drawing the attention of the international public to the tragic position of Montenegro in the so- called FRY," Perovic said. He also said that in Cosic's case justice had been done, because he was the real culprit for the Yugoslav tragedy. "War criminals and chauvinists, who became such by nourishing themselves on Cosic's books, discarded and left him on the scrap heap of history, while they arrested the leader of the Serbian Renewal Movement [SPO] and his wife," the leader of the Liberals pointed out.

"Without condoning the conduct of the SPO leader in any way, we, whom the platform of the SPO does not recognize either as a people, a nation, or a state, protest most vigorously against the disgraceful conduct of the police.... Montenegro has become a place of parliamentarism. Parliamentarism can be overthrown only by dictatorship, repression, tyranny. Therefore we condemn the oppressive act perpetrated against the leader of the SPO, and demand his release, because his arrest is an attack against all of us as well," the leader of the Montenegrin Liberals said.